

**UMNOTHO
FOR
EMPOWERMENT**

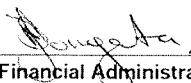
**INDEPENDENTLY REVIEWED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

General Information

Legal form: Non Profit Organisation : 070-858- NPO
Address of Registered Office : Plot 69 Rietfontein, Muldersdrift, Mogale
Address of Business: Plot 69 Rietfontein, Muldersdrift, Mogale
Nature of Activities: Community Development Initiative
Bankers: Standard Bank, Key West, Krugerdorp
Financial Administrator: Ntombi Gongotha

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The annual financial statements for the period ending 31 March 2018 have been approved by the office bearers and signed on their behalf by:



(Financial Administrator)

04 SEPTEMBER 2018
Date



(Trustees Board Chairperson)

04 September 2018
Date

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INDEPENDENT REVIEWER'S REPORT TO THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Umnotho for Empowerment
Plot 69 Rietvlei
Muldersdrift
Mogale

Period Covered by the Audit Certificate: April 2017 to March 2018

I have been appointed by the Board of Trustees of Umnotho for Empowerment to compile and independently review the Annual Financial Statements for the period referred to above in order to express a conclusion that the accounts of the organisation are in accordance with the organisation's financial policies. I confirm that I belong to an internationally recognised supervisory body for statutory independent review. I have conducted my independent review in accordance with the Statement of Standards for performing an independent review, the provisions of the organisation's constitution and the Public Finance Management Act (PFMA), for publication in the final annual report.

I have reviewed the accompanying financial statements of Umnotho for Empowerment that comprise the statement of financial position, statement of income and expenditure, statement of receipts and payments and cash flows and other explanatory information.

I believe that the evidence I have obtained in my review is sufficient and appropriate to provide a basis for my conclusion. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

CONCLUSION

It is my conclusion that the financial statements present fairly in all material respects, the financial position of Umnotho for Empowerment as at 31 March 2018 and its financial performance and cash flows for the year then ended, in accordance with IFRSs for SMEs and PFMA

MATTER OF EMPHASIS

The following fundamental accounting principles were not followed in the preparation of the previous financial statements

1. Member investments (equity) in previous years (2016 & 2017) were charged through the income statement instead of the statement of financial position. As a result the value of members investments could be understated in the statement of financial position.
2. Building improvements and renovations in the last financial year (2017) were charged to expenses instead of being capitalised. Consequently the value of plant and equipment assets could be understated.

REPORT ON OTHER OPERATIONAL ISSUES

According to my engagement mandate, a report on the state of internal controls based on limited testing is included as part of this annual financial statements.



BIGBRAIN MOLOI
Professional Accountant (SA)
SAIPA NO 18383



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BOARD OF TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The board of trustees is responsible for the preparation and fair presentation of this financial report in accordance with generally accepted accounting practices (GAAP) and PFMA and for such internal controls as the board of trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT REVIEWER'S RESPONSIBILITY

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with International Standard in Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the GAAP and PFMA. This Standard also requires me to comply with relevant ethical requirements.

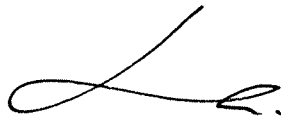
A review of financial reports in accordance with ISRE 2400 consists primarily of making enquiries of the board of trustees and others within the organisation involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures where the practitioner becomes aware of matters that causes the practitioner to believe that the financial statements, as a whole, may be materially misstated.

BOARD OF TRUSTEES' REPORT AND APPROVAL

Based on the information and explanations given by the administrator, the board of trustees is of the opinion that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal control can only provide reasonable, and not absolute assurance against material misstatement or loss.

The independent reviewers are responsible for independently reviewing and reporting on the organisation's annual financial statements. The annual statements have been examined by the independent reviewers and their report is on pages 4 to 7

The financial statements set out on pages 4 to 8, which have been prepared on an on going basis, were approved by the board of trustees on 04 September 2018 and were signed on its behalf by :



(CHAIRPERSON)

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 R	2017 R
ASSETS			
Non Current Assets			
Plant & Equipment	3	5 523 115	4 681 777
		<u>5 523 115</u>	<u>4 681 777</u>
Current Assets			
Trade and other receivables	5	-	7 000
Cash and Cash Equivalents	7	303 083	1 060 381
		<u>303 083</u>	<u>1 060 381</u>
TOTAL ASSETS		<u><u>5 826 198</u></u>	<u><u>5 749 158</u></u>
CAPITAL FUNDS AND LIABILITIES			
Funds			
Net Members Investments -2018		505 436	-
Retained Income		2 511 847	2 509 368
Member Investments - Historical	4.	3 226 957	3 226 957
General Reserve Fund		-	-
Accumulated surplus/(deficit)		(430 875)	-
		<u>5 813 365</u>	<u>5 736 325</u>
Current Liabilities			
Trade and other payables	6.	12 833	12 833
		<u>12 833</u>	<u>12 833</u>
Total Funds and Liabilities		<u><u>5 826 198</u></u>	<u><u>5 749 158</u></u>

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R	2017 R
Income	2.1	1 189 262	2 726 094
Bank Charges - Recoveries		3 531	-
Copies		2 325	2 209
Donation Received		-	132 914
Electricity Recoveries		143 111	-
Grant Income		323 148	-
Insurance Recoveries		27 060	39 670
Interest Received		69 484	52 528
Investment Proceeds		-	1 883 554
Other Income		3 366	-
Project Admin Cost - Recoveries		49 798	-
Registrations		20 760	29 794
Recoveries from Members - Utilities		542 780	585 425
Withdrawal Fees		3 900	-
EXPENSES		1 620 138	2 818 975
Accounting, Legal and Professional Fees		144 250	557 881
Admin Expenses		1 596	-
Advertising & Marketing Expenses		22 010	30 507
Bank Charges		30 905	44 889
Cleaning and Maintenance		-	8 756
Computer Expenses		1 746	37 146
Donations		2 500	-
Depreciation & Amortisation		188 790	119 098
Entertainment		740	-
Garden Upkeep & Tools		2 860	13 723
Information and Referral		1 809	-
Insurance & Security		30 024	25 587
Interest Paid on Withdrawal		2 027	-
Meals & Refreshments		22 807	13 674
Meeting Expenses		-	50 686
Membership Fees		11 000	-
Motor Vehicle - Fuel Expenses		3 374	-
Office Consumables		525	-
Plumbing and Life Skills Training		56 728	490
Printing & Stationery		37 711	23 686
Rates, Taxes & Municipality Expenses		142 543	152 533
Registration Fees		800	-
Refund to Members		-	315 069
Repairs & Maintenance		126 372	683 359
Repairs & Maintenance - Vehicles		21 898	11 547
Safety Clothing		1 476	-
Salaries & Wages		638 954	616 805
Telephone & Internet		33 172	44 109
Transport		58 508	47 769
Travel & Accommodation		35 015	-
Venue Hire		-	2 500
Loss Due to Theft		-	19 161
Surplus/(Deficit)		(430 875)	(92 881)
Accumulated Surplus/(Deficit) at beginning of year		-	-
Accumulated Surplus/(Deficit) at end of year		(430 875)	(92 881)

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STATEMENT OF CHANGES IN CAPITAL FUNDS FOR THE YEAR ENDED 31 MARCH 2018

	Accumulated Surplus/ (Deficit)	Retained Income	Members Investments	Total Funds R
Balance at 1 April 2016	-	2 602 247	3 226 957	5 829 204
Capital Fund Contribution	-	(92 879)		(92 879)
Net Surplus / (Deficit) for the period	-		-	-
Balance as at 31 March 2017	-	2 509 368	3 226 957	5 736 325
Balance at 1 April 2017	-	2 509 368	3 226 957	5 736 325
Capital Fund Contribution	-	2 480	505 436	507 916
Net Surplus / (Deficit) for the period	(430 875)		-	(430 875)
Balance as at 31 March 2018	(430 875)	2 511 848	3 732 393	5 813 366

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R	2017 R
CASH FLOW FROM OPERATING ACTIVITIES		(233 058)	-
Cash Receipts from Operating Activities		1 119 778	-
Cash Paid to Suppliers and Service Providers		(1 431 348)	-
Net Cash Generated from Operating Activities		(311 569)	-
Decrease in Debtors		7 000	-
Interest Received		69 484	-
Interest Paid on Withdrawals		2 027	-
CASH FLOW FROM INVESTMENT ACTIVITIES		(1 029 677)	-
Purchases of assets		(1 029 677)	-
Proceeds from sale of assets		-	-
Book value of asset sold		-	-
Profit/(Loss) -sale of asset		-	-
CASH FLOW FROM FINANCING ACTIVITIES		505 437	-
Proceeds from Members Investments		941 293	-
Refunds to Members		(438 336)	-
Adjustment of Opening Bank Balance		2 480	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(757 298)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1 060 381	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD		303 083	-

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

1. Basis of presentation

The annual financial statements are prepared in accordance with the requirements of Generally Accepted Accounting Practice (GAAP) for limited purpose entities and IFRSs for SMEs. The annual financial statements have been prepared on the historical cost basis

2. Accounting Policies

The financial statements incorporate the principal accounting policies set out below. The accounting policies were applied consistently throughout the period when preparing the financial statements.

The following are the principal accounting policies used in the preparation of the financial statements:

2.1 Income recognition

Income is generally recognised when it is probable that economic benefits will flow to the organisation and the amount of revenue can be measured reliably.

2.1.1 Government grant

Government grant is considered as income when the risks and rewards of ownership have been transferred to the organisation.

2.1.2 Members Investments

Members investments represent contributions by members and is recognised as income when the risks and rewards of ownership have been transferred to the organisation and is no longer refundable to the member.

2.1.3 Rentals

Lease rentals are charged to income as received.

2.1.4 Recoveries

These are charged for expenses incurred on members' behalf.

2.2 Property, plant and equipment

Assets are written down to their recoverable amounts if their recoverable amounts are lower than their carrying amounts. The recoverable amount is determined by using the gross future cash inflows and is not discounted to present values.

Depreciation is a charge to operating profit computed on a straight line basis so as to reduce carrying values of the assets to the estimated residual values over their expected useful lives. The rates applied are as follows,

Fixed Property - Land	-	
Vehicles	5	20%
Wendy Houses	5	20%
Mobile Offices	5	20%
Furniture & Fixtures	5	20%
Computer Equipment	3	33%
Lawnmowers	2	50%

3. Property, plant and equipment - 2018

Description	Purchased / Sold / Scrapped	Cost / Valuation	Depreciation For This Year	Accumulated Depreciation	Carrying Amount @ Year End
Fixed Property	1 000 000	5 210 000	-	-	5 210 000
Vehicles		196 235	47 096	117 741	78 494
Wendy Houses		155 000	37 200	93 000	62 000
Mobile Offices		342 000	82 080	205 200	136 800
Furniture & Fixtures		21 281	3 745	12 768	8 513
Computer Equipment	13 497	38 492	10 579	19 274	19 218
Lawnmowers	16 180	16 180	8 090	8 090	8 090
	1 029 677	5 979 188	188 790	456 073	5 523 115

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4. Due to IT system challenges, the members investments could not be confirmed with the members investments ledger. Therefore this amount is as per previous year financials and does not account for year 2018 movements.

Capital Funds

Member Investments - Historical

3 226 957

		2018	2017
5.	Trade & other receivables		
	Accounts Receivable	-	7 000
		<u>-</u>	<u>7 000</u>
6.	Trade & other payables		
	Accounts Payable	12 833	12 833
		<u>12 833</u>	<u>12 833</u>
7.	Cash and cash equivalents		
	Bank		
	Bank Accounts		
	Main	42 722	1 050 886
	Rent	74 121	
	Investment	21 674	
	Call	2 287	
	Youth	27 660	
	Community	<u>132 526</u>	
		300 990	
	Cash on hand		
	Petty Cash - Main	1 090	
	Petty Cash - Youth	<u>1 004</u>	9 495
		2 093	
		<u>303 083</u>	<u>1 060 381</u>