

THE UNOGWAJA CHARITABLE TRUST

(Registration number IT002173/2015)

Annual Financial Statements

for the year ended 28 February 2017

Audited Financial Statements



AUDIT • TAX • ADVISORY

THE UNOGWAJA CHARITABLE TRUST

(Registration Number IT002173/2015)

Annual Financial Statements for the year ended 28 February 2017

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Annual Financial Statements for the year ended 28 February 2017

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
TYPE OF TRUST AND NATURE OF BUSINESS	To receive donations from third parties for the purposes of applying such funds for charitable purposes to the benefit of the general public which may include welfare and humanitarian aid, education and development
TRUSTEES	Robert John Mcinroy Keith Charles Richardson Lorenzo Angus Davids Oupa Nathaniel Mabetwa
BUSINESS ADDRESS	13 Polar Road Noordhoek Western Cape 7979
BANKERS	Nedbank
INDEPENDENT AUDITORS'	BGC Registered Auditors and Chartered Accountants (SA) Suite 201,200 on Main 200 Main Road Claremont Western Cape 7708
TRUST REGISTRATION NUMBER	IT002173/2015
PUBLIC BENEFIT ORGANISATION REGISTRATION NUMBER	PBO930052893

Independent Auditor's Report

To the Trustees of The Unogwaja Charitable Trust

Qualified Opinion

We have audited the financial statements of The Unogwaja Charitable Trust set out on pages 7 to 12, which comprise the statement of financial position as at 28 February 2017, and the statement of comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of The Unogwaja Charitable Trust for the year ended 28 February 2017 are prepared, in all material respects, in accordance with the basis of accounting as described in note 2 to the financial statements.

Basis for Qualified Opinion

In common with similar organisations it is not feasible for the trust to institute accounting controls over cash collections and donations prior to initial entry of the collections in the accounting records. Accordingly it was impracticable for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the Trustees' Report, and the supplementary information set out on page 13. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 2 to the financial statements, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BGC
Registered Auditors and Chartered Accountants (SA)

Per: L.Sher CA(SA)
Partner
Registered Auditor

22 June 2018

Suite 201,200 on Main
200 Main Road
Claremont
Western Cape
7708

THE UNOGWAJA CHARITABLE TRUST

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Annual Financial Statements for the year ended 28 February 2017

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations of the trust, and explain the transactions and financial position of the business of the trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the trust and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all trustees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the trust.

The financial statements have been audited by the independent auditing firm, BGC , who have been given unrestricted access to all financial records and related data. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' qualified audit report is presented on page 3 to 4.

The annual financial statements have been prepared on the going concern basis and are not subject to any material changes to the present financial status. The annual financial statements as set out on pages 7 to 12 were approved by the trustees on 22 June 2018 and were signed on their behalf by:

Trustee

Trustee

THE UNOGWAJA CHARITABLE TRUST

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Annual Financial Statements for the year ended 28 February 2017

Report of the Trustees

The trustees present their annual report for the year ended 28 February 2017.

1. Objective of the trust

The objective of the trust is to receive donations from third parties for the purposes of applying such funds for charitable purposes to the benefit of the general public which may include welfare and humanitarian aid, education and development.

2. Founder of the trust

The founder of the trust is John McInroy

3. Financial results

The financial statements reflect the financial position of the trust at 28 February 2017 and the result of its activities for the year then ended.

4. The Trustees from the annual trustee meeting to the date of this report were the following:

Robert John Mcinroy	(Chairperson)
Keith Charles Richardson	
Lorenzo Angus Davids	
Oupa Nathaniel Mabetwa	

5. The business and postal address of the trust is:

13 Polar Road
Noordhoek
Western Cape
7979

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Financial Statements for the year ended 28 February 2017

Statement of Financial Position

Figures in R	Notes	2017
Assets		
Current Assets		
Trade and other receivables	3	100
Cash and cash equivalents	4	921,403
		921,503
Total Assets		921,503
Trust Funds and Liabilities		
Trust Fund		
Trust Capital Account	5	100
Accumulated surplus		911,599
		911,699
Current Liabilities		
Trade and other payables	6	9,804
		9,804
Total Funds and Liabilities		921,503

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Statement of Comprehensive Income

Figures in R	2017
Income	1,832,709
Operating costs	(966,822)
Operating surplus	865,887
Finance income	45,712
Net surplus for the year	911,599

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Statement of Changes in Trust Funds

Figures in R	Trust capital	Accumulated surplus	Total
Balance at 1 March 2016	-	-	-
Surplus for the year		911,599	911,599
Contributions introduced	100		100
Balance at 28 February 2017	100	911,599	911,699

Note

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THE UNOGWAJA CHARITABLE TRUST

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Statement of Cash Flows

Figures in R	2017
Cash flows from operating activities	
Surplus for the year	911,599
<i>Adjustments for:</i>	
Investment income	(45,712)
Operating cash flow before working capital changes	865,887
<i>Working capital changes</i>	
Increase in trade and other receivables	(100)
Increase in trade and other payables	9,804
Cash generated by operating activities	875,591
Investment income	45,712
Net cash from operating activities	921,303
Cash flows from financing activities	
Founding donation	100
Net cash utilised in financing activities	100
Increase cash and cash equivalents	921,403
Cash and cash equivalents at end of the year	921,403

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THE UNOGWAJA CHARITABLE TRUST

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Accounting Policies

1. General information

The Unogwaja Charitable Trust is a trust founded in South Africa. The type of trust and its principal activities is that of a To receive donations from third parties for the purposes of applying such funds for charitable purposes to the benefit of the general public which may include welfare and humanitarian aid, education and development.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rand.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for donations received in the ordinary course of the trust's activities.

The trust recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the trust's activities, as described below:

2.1.1 Donations Income

Donation income is recognised as revenue when received.

2.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.3 Trade payables

Trade payables are recognised initially at the transaction price .

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Notes to the Annual Financial Statements

Figures in R

2017

3. Trade and other receivables

Sundry receivables	<u>100</u>
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4. Cash and cash equivalents

Favourable cash balances

Nedbank Moneytrader account	594,693
Nedbank Cash Management account	18,586
Nedbank Current account	<u>308,124</u>
	<u>921,403</u>

5. Trust Capital Account

Founding donation received during the year	<u>100</u>
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6. Trade and other payables

Accruals	<u>9,804</u>
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7. Income taxation expense

No provision for tax is made as the trust is registered as an exempt institution in terms of Section 10(1)(cN) of the Income Tax Act.

8. Comparative figures

No comparative figures have been presented as these are the first annual financial statements of the trust.

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Detailed Income Statement

Figures in R	2017
Income	
Donations received	1,832,709
Other income	
Interest received	45,712
Expenditure	
Accounting fees	7,524
Administration fee - Schoops and Socks CC	396,000
Administration fees paid - Nedgroup Trust	19,000
Bank charges	1,218
Donations	340,800
Event expenses - Pietermaritzburg Distirct	200,000
Secretarial fees	2,280
	<u>966,822</u>
Surplus/(deficit)	<u>911,599</u>