

MASINYUSANE DEVELOPMENT ORGANISATION
(Registration Number 074-244-NPO)

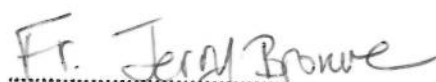
FINANCIAL STATEMENTS
for the year ended 31 March 2016

MASINYUSANE DEVELOPMENT ORGANISATION
(Registration Number 074-244-NPO)

FINANCIAL STATEMENTS
for the year ended 31 March 2016

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The attached financial statements for the year ended 31 March 2016 set out on pages 5 to 9 were signed on 28 April 2016 on behalf of the Masinyusane Development Organisation by:


.....
DIRECTOR

 28/4/2016
.....
DIRECTOR



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASINYUSANE DEVELOPMENT ORGANISATION

Report on the Financial Statements

We have audited the financial statements of Masinyusane Development Organisation, set out on pages 5 to 9, which comprise the statement of financial position as at 31 March 2016 and the statement of comprehensive income for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Members' Responsibility for the Financial Statements

The executive committee are responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Donations are a substantial source of fundraising revenue for Masinyusane Development Organisation. The committee have determined that it is impracticable to establish internal controls over the donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all donations were recorded.

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Chief Executive Officer: T D Shango
 Management Committee: T P Blandin de Chalais, S N Madikane, P J Mothibe, C Richardson, F Tonelli, C Volschenk
 The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
 Reg. no. 1998/012055/21, VAT reg.no. 4950174682

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Masinyusane Development Organisation as at 31 March 2016, and its financial performance for the year then ended and in accordance with the basis of accounting described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the organisation in providing financial information to its members and stakeholders. As a result, the financial statements may not be suitable for another purpose.

A handwritten signature in black ink, appearing to read 'A Puggia', is written over a light blue horizontal line.

PricewaterhouseCoopers Inc.
Director: A Puggia
Registered Auditor
Port Elizabeth
28 April 2016

MASINYUSANE DEVELOPMENT ORGANISATION
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STATEMENT OF FINANCIAL POSITION
as at 31 March 2016

	Note	<u>2016</u> R	<u>2015</u> R
ASSETS			
Current assets			
Cash at bank		654 745	806 203
Non-current assets			
Property, plant and equipment	4	<u>2 253 223</u>	<u>-</u>
Total assets		<u>2 907 968</u>	<u>806 203</u>
EQUITY AND LIABILITIES			
Current liabilities			
Current portion of loan	2	228	-
Accruals	5	<u>9 019</u>	<u>-</u>
		9 247	-
Non-current liabilities			
Loan		1000 000	
Accumulated funds			
Retained surplus	3	<u>1 898 721</u>	<u>806 203</u>
Total equity and liabilities		<u>2 907 968</u>	<u>806 203</u>

MASINYUSANE DEVELOPMENT ORGANISATION
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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	2016	2015
	R	R
Revenue		
Donations received	2 354 930	1 488 795
<i>National Lottery Distribution Trust Fund</i>	240 500	240 500
<i>Shikaya Trust</i>	426 000	-
<i>The Learning Trust</i>	235 500	-
S A Individuals	1 721	112 195
S A Corporations	223 166	394 055
U S A donors	930 805	742 045
Ireland donors	297 238	-
Interest received	13 931	-
	<u>2 368 861</u>	<u>1 488 795</u>
Less: Expenditure		
School partnership	1 276 343	906 714
Top learner	375 267	331 655
Operational and management expenses	631 369	376 153
Fundraising	156 826	79 869
	112 881	119 037
	<u>1 092 518</u>	<u>582 081</u>
Total comprehensive income for the year		

MASINYUSANE DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

1. ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. These accounting policies are consistent with the previous year. The disclosure categories for expenses have changed and the previous year's figures have been restated.

1.2. Income

Income from every source is accounted for and recognised only when received and banked.

1.3. Cash balances

Cash balances represent the reconciled balances at the end of the year.

1.4. Expenses

Expenses are recorded on an accrual basis.

2. LOAN

This loan of R1.1million was received from an anonymous donor on 1 October 2015 in order to fund the acquisition of the house.

The terms of the loan are as follows:

Interest rate	Prime+0.5%
Repayment Terms	60 months to repay loan
	Interest to be paid on 25th of each month

The house at 68 Ruben Crescent is held as security over the loan.

	2016
	R
Current portion of loan:	
Interest accrued	53 437
Interest Paid	(53 210)
Current Portion	<u>228</u>
Non-current portion of loan:	
Initial loan obtained	1 100 000
Capital payment made	<u>(100 000)</u>
	<u><u>100 000</u></u>

MASINYUSANE DEVELOPMENT ORGANISATION
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016 (continued)

3. RETAINED SURPLUS

	2016	2015
	R	R
Balance at beginning of year	806 203	224 124
Total comprehensive income	<u>1 092 518</u>	<u>582 079</u>
Balance at end of year	<u><u>1 898 721</u></u>	<u><u>806 203</u></u>

4. PROPERTY, PLANT AND EQUIPMENT

2016	Cost	Accumulated	Book value
	R	Depreciation	R
		R	
Building	2 108 907	(51 184)	2 057 723
Motor vehicle	<u>230 000</u>	<u>(34 500)</u>	<u>195 500</u>
	<u><u>2 338 907</u></u>	<u><u>(85 684)</u></u>	<u><u>2 253 223</u></u>

Movement	Opening	Additions	Disposals	Depreciation	Closing balance
schedule	balance			R	R
	R	R	R		
Building	-	2 108 907	-	(51 184)	2 057 723
Motor vehicle	-	<u>230 000</u>	-	<u>(34 500)</u>	<u>195 500</u>
	-	<u><u>2 338 907</u></u>	-	<u><u>(85 684)</u></u>	<u><u>2 253 223</u></u>

The building is secured in terms of the loan as described in note 2.

5. ACCRUALS

Accruals can be split as follows:

	2016
	R
Telkom- March telephone bill	1 602
SARS- March PAYE still payable	3 142
FDM Architects- Fee still payable	<u>4 275</u>
	<u><u>9 019</u></u>

MASINYUSANE DEVELOPMENT ORGANISATION
(Registration Number 074-244-NPO)

DETAILED INCOME STATEMENT
for the year ended 31 March 2016

	2016	2015
	R	R
Revenue		
Donations received	2 354 930	1 488 795
Interest received	13 931	-
	<u>2 368 861</u>	<u>1 488 795</u>
Less: Expenses paid	1 276 343	906 714
School partnerships		
Cultural and sports clubs	58 664	61 055
School renovations	12 108	49 264
Academic interventions	199 114	145 862
Security	2 875	10 250
Staff	71 368	28 797
Telephone and printing	13 911	13 478
Transport	14 192	22 949
Training and development	3 035	-
Top Learner		
Accommodation – rent	-	154 129
Nutrition, cleaning and housing supplies	16 489	29 685
Tuition and application fees	89 315	84 829
Study material	40 276	8 200
Staff	178 196	37 147
Telephone and printing	13 911	13 478
Student transport	74 238	48 685
Career guidance	250	-
Welfare	11 065	-
Supplies	9 399	-
Moving expenses	1 610	-
Burglar alarm	12 457	-
Maintenance	4 794	-
Garden	3 360	-
Occupational rent	33 656	-
Renovations	608	-
Telephone and internet	12 471	-
Utilities	17 595	-
Furniture	7 057	-
Bond interest	53 438	-
Depreciation	51 184	-
Carried forward	<u>1 006 636</u>	

MASINYUSANE DEVELOPMENT ORGANISATION
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DETAILED INCOME STATEMENT
for the year ended 31 March 2016 (continued)

	2016	2015
	R	R
Brought forward	1 006 636	745 538
Fundraising		
Fundraising expenses	112 881	102 090
Accommodation	-	16 947
Operational and management expenses		
Computer expenses	-	5 117
General expenses	-	3 767
Bank charges	8 966	10 728
Legal fees	2 052	700
Maintenance	849	7 197
Rent	600	2 500
Meetings and workshops	11 345	8 908
Cleaning	-	500
Telephone and printing	6 956	6 739
Staff costs	30 511	983
Accounting fees	5 710	-
Operational costs	11 167	-
Rent – Mater Dei	36 000	-
Sundry expenses	4 433	-
Short term insurance	2 553	-
Vehicle licence	699	-
Office equipment	485	-
Depreciation	34 500	-
Surplus for the year	1 092 518	582 081