

COPESSA NPC

(Registration number 2000/025755/08)

ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2019

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To generate funding to support and empower individuals and communities with knowledge and skills to effectively engage in prevention and rehabilitation in child abuse and neglect
Directors	NB Motjuwadi SM Molefe BC Sibanda ZP Matlhaku B Nkosi TD Ndlovu A Siwahla A Molose O Maremela YM Motsisi
Registered office	8955 Protea Boulevard Extention 11, Protea Glen Soweto 1868
Bankers	Nedbank Limited
Auditors	BN Jooste & Co
Secretary	Waterford Financial Management Pty Ltd

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

INDEX

The reports and statements set out below comprise the annual financial statements presented to the members:

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Income and Retained Earnings	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 14
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	15
Donations and Fundraising Revenue Schedule	16

Published

21 November 2019

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

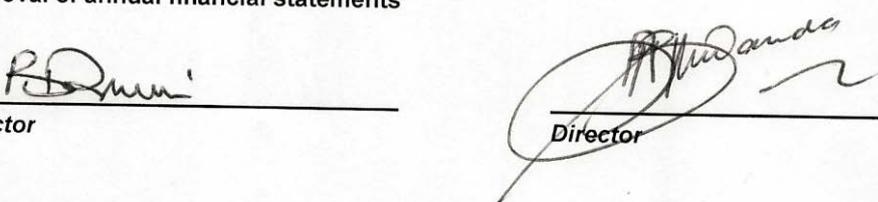
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 7 to 16, which have been prepared on the going concern basis, were approved by the directors on 21 November 2019 and were signed on its behalf by:

Approval of annual financial statements



[Signature]

Director

[Signature]

Director

INDEPENDENT AUDITOR'S REPORT

To the members of COPESSA NPC

Qualified opinion

We have audited the annual financial statements of COPESSA NPC (the company) set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2019, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the annual 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 annual financial statements present fairly, in all material respects, the financial position of COPESSA NPC as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

Donations received and fundraising income are a significant source of revenue for the company. As is common with non-profit entities, it is impracticable to establish internal controls over the collection of donation and fundraising revenue prior to the initial entry into its financial records. We were therefore unable to confirm whether all donation and fundraising revenue were recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "COPESSA NPC annual financial statements for the year ended 28 February 2019", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

BN Jooste & Co

BN Jooste & Co
SJ Kruger
Partner
Chartered Accountants (SA)
Registered Auditor

21 November 2019
Randburg

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of COPESSA NPC for the year ended 28 February 2019.

1. Nature of business

COPESSA NPC was incorporated in South Africa. The principal activity of the company is to generate funding to support and empower individuals and communities with knowledge and skills to effectively engage in prevention and rehabilitation in child abuse and neglect

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	Designation
NB Motjuwadi	Executive
SM Molefe	Non-executive
BC Sibanda	Non-executive
ZP Matlhaku	Non-executive
B Nkosi	Non-executive
TD Ndlovu	Non-executive
A Siwahla	Non-executive
A Molose	Non-executive
O Maremela	Executive
YM Motsisi	Non-executive

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

BN Jooste & Co were appointed to office as auditors for the company for 2019.

7. Secretary

The company secretary is Waterford Financial Management Pty Ltd.

Business address

Unit 2 Fourways Manor Office Park
1 Macbeth Street
Fourways
2191

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	653,550	744,031
Current Assets			
Loans receivable	3	63,814	60,143
Cash and cash equivalents	4	11,729	55,516
		75,543	115,659
Total Assets		729,093	859,690
Equity and Liabilities			
Equity			
Retained income		622,247	792,786
Liabilities			
Current Liabilities			
Trade and other payables	5	66,846	26,904
Borrowings	6	40,000	40,000
		106,846	66,904
Total Equity and Liabilities		729,093	859,690

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

STATEMENT OF INCOME AND RETAINED EARNINGS

Figures in Rand	Note(s)	2019	2018
Donations and fundraising revenue	7	1,442,702	1,760,175
Resources utilised		(1,610,395)	(1,816,667)
Deficit from resources	8	(167,693)	(56,492)
Finance costs	9	(2,846)	(863)
Deficit from resources for the year		(170,539)	(57,355)
Retained income at the beginning of the year		792,786	850,141
Retained income at the end of the year		622,247	792,786

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash used in operations	11	(37,270)	(24,690)
Finance costs		(2,846)	(863)
Net cash utilised in operating activities		(40,116)	(25,553)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(32,639)
Sale of property, plant and equipment	2	-	18,700
Increase in loan receivable		(3,671)	-
Net cash utilised in investing activities		(3,671)	(13,939)
Cash flows from financing activities			
Proceeds from borrowings		-	40,000
Net cash (utilised in) from financing activities		-	40,000
Total cash movement for the year		(43,787)	508
Cash at the beginning of the year		55,516	55,008
Total cash at end of the year	4	11,729	55,516

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	N/A	Not depreciated
Plant and equipment	Straight line	10 years
IT equipment	Straight line	3 years
Electronic equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Loans receivable

Commitments to receive a loan are recognised initially at the transaction price and are subsequently measured at cost less impairment.

1.4 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.

1.5 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Revenue

Revenue comprises the fair value of the consideration received or receivable and represents the amounts receivable for donations and income received from fund raising.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2019 2018

2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	512,822	(156,822)	356,000	512,822	(156,822)	356,000
Plant and equipment	1,328,131	(1,059,551)	268,580	1,328,131	(983,815)	344,316
IT equipment	122,815	(105,077)	17,738	122,815	(94,197)	28,618
Electronic equipment	128,226	(116,994)	11,232	128,226	(113,129)	15,097
Total	2,091,994	(1,438,444)	653,550	2,091,994	(1,347,963)	744,031

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Land and buildings	356,000	-	356,000
Plant and equipment	344,316	(75,736)	268,580
IT equipment	28,618	(10,880)	17,738
Electronic equipment	15,097	(3,865)	11,232
	744,031	(90,481)	653,550

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	374,700	-	(18,700)	-	356,000
Plant and equipment	420,052	-	-	(75,736)	344,316
IT equipment	-	32,639	-	(4,021)	28,618
Electronic equipment	18,961	-	-	(3,864)	15,097
	813,713	32,639	(18,700)	(83,621)	744,031

3. Loans receivable

At amortised cost

COPESSA Pty Ltd	63,814	60,143
-----------------	--------	--------

The loan is unsecured, bears no interest and has no fixed terms of repayment.

Current assets

At amortised cost	63,814	60,143
-------------------	--------	--------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	11,729	55,516
---------------	--------	--------

5. Trade and other payables

Payroll accruals	17,742	26,904
Municipal expense accrual	49,104	-
	66,846	26,904

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018
6. Borrowings		
At amortised cost		
Dr TU Motjuwadi	40,000	40,000
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
Current liabilities		
At amortised cost	40,000	40,000
7. Donations and fundraising revenue		
Donations received	1,198,519	1,546,337
Fundraising	244,183	213,838
	1,442,702	1,760,175
8. Deficit from resources		
Deficit from resources for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	90,481	83,621
Employee costs	1,278,312	1,481,848
9. Finance costs		
SARS	2,846	863
10. Taxation		
The company is exempt from taxation in terms of section 10 of the Income Tax Act.		
11. Cash used in operations		
Loss for the year	(170,539)	(57,355)
Adjustments for:		
Depreciation	90,481	83,621
Finance costs	2,846	863
Changes in working capital:		
Trade and other payables	39,942	(51,819)
	(37,270)	(24,690)
12. Related parties		
Relationships		
Entity related to directors	COPESSA Pty Ltd	
Related party balances		
Loan accounts - Owing by related parties		
COPESSA Pty Ltd	63,814	60,143

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018
13. Directors' remuneration		
Executive		
2019		
NB Motjuwadi	Emoluments 426,149	Total 426,149
2018		
NB Motjuwadi	Emoluments 608,339	Total 608,339

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2019	2018
Donation and fundraising revenue			
Donations received		1,198,519	1,546,337
Fundraising		244,183	213,838
	7	1,442,702	1,760,175
Resources utilised			
Bank charges		762	559
Cleaning		-	2,601
Computer expenses		-	9,490
Depreciation		90,481	83,621
Employee costs		1,278,312	1,481,848
Entertainment		3,000	3,813
Food parcels		3,000	5,357
Insurance		27,353	26,065
Motor vehicle expenses		28,131	31,981
Municipal expenses		69,104	-
Printing and stationery		8,296	16,397
Project expenditure		31,533	81,334
Promotions		31,973	18,331
Repairs and maintenance		-	21,274
Secretarial fees		3,272	450
Security		5,170	9,812
Telephone and internet		26,159	20,414
Travel - local		301	-
Workmans compensation		3,548	3,320
		1,610,395	1,816,667
Deficit from resources	8	(167,693)	(56,492)
Finance costs	9	(2,846)	(863)
Deficit from resources for the year		(170,539)	(57,355)

COPESSA NPC

Annual Financial Statements for the year ended 28 February 2019

DONATIONS AND FUNDRAISING REVENUE SCHEDULE

Figures in Rand	2019	2018
1. Donations received		
Asp Fire	-	7,500
B Chapman	-	6,635
Barloworld (Pty) Ltd	100,000	30,000
Brian and Carolyn Sweeney	9,493	-
Cwenga Technologies	10,700	5,000
Dr TU Motjuwadi	23,000	-
Drs Mashao and Dzichauya	36,000	36,000
EOH	-	500,000
FPD	11,500	-
Friends of COPESSA	31,040	27,000
Gauteng Department of Social Services	492,786	552,762
Lisa Paschke Church	-	2,700
Lotto - National Lottery Council	140,000	-
Mr Bafana Nkosi	10,000	-
Ruth and Anita Wise Trust	200,000	200,000
Sandton SDA Church	-	20,000
Sigma Lifts and Escalators	30,000	-
TSS Managed Services (Pty) Ltd	-	50,000
Thaba Eco Hotel	84,000	84,000
Township Realtors	20,000	-
Winter Warmer	-	5,000
Wits Citizenship and Community Outreach	-	19,740
	1,198,519	1,546,337
2. Fundraising		
Business Breakfast	-	31,835
COPESSA Fundraising Golf Day	117,550	79,000
Consol (Pty) Ltd	50,000	10,000
Global Giving Crowdfunding	70,109	550
MTN Walk Primedia	777	-
My School Card	4,947	2,503
Women's Craft Projects	800	89,950
	244,183	213,838