

**COPESSA (Association incorporated under Section 21 of the Companies Act)  
Formerly Community Based Prevention and Empowerment Strategie - SA  
(Registration number 2000/025755/08)  
Annual Financial Statements  
for the year ended 29 February 2012**

**Watermark Auditors Incorporated  
Chartered Accountants (S.A.)**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

**Published 12 October 2012**

# **COPESSA (Association incorporated under Section 21 of the Companies Act)**

Formerly Community Based Prevention and Empowerment Strategie - SA

(Registration number 2000/025755/08)

Annual Financial Statements for the year ended 29 February 2012

## **General Information**

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<b>Company registration number</b>	2000/025755/08
<b>Tax reference number</b>	9551/111/14/0
<b>PAYE/UIF/SDL</b>	7300756345
<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	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
<b>Directors</b>	Dr NB Motjuwadi Dr U T Motjuwadi Mr RP Qacha Ms N Mkhize Mr EL Borole Mr JMJ Mabasa
<b>Registered office</b>	Unit 2 Fourways Manor Office Park Cnr Macbeth Avenue and Roos Street Fourways 2055 (011) 705 - 0000
<b>Business address</b>	8955 Protea Boulevard Extension 11, Protea Glen Soweto 1868 (011) 297 3220
<b>Postal address</b>	PO Box 1049 Mondeor 2110
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Watermark Auditors Incorporated Chartered Accountants (S.A.)
<b>Secretary</b>	Waterford Financial Management (Proprietary) Limited
<b>Public Officer</b>	N B Motjuwadi

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

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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

**Prepared**

  
A G Short  
Chartered Accountant (SA)

**Published**

12 October 2012

## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

Formerly Community Based Prevention and Empowerment Strategie - SA

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### **Directors' Responsibilities and Approval**

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The directors are required by the Companies Act of South Africa, 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 judgments 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 board of 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 28 February 2013 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 reviewing 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 6 to 16, which have been prepared on the going concern basis, were approved by the board of directors on 12 October 2012 and were signed on its behalf by:



Director



Director

## **Independent Auditors' Report**

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### **To the members of COPESSA (Association incorporated under Section 21 of the Companies Act)**

We have audited the annual financial statements of COPESSA (Association incorporated under Section 21 of the Companies Act), which comprise the statement of financial position as at 29 February 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 14.

### **Directors' Responsibility for the Annual Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual 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 management, as well as evaluating the overall presentation of the annual financial statements.

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

## **Independent Auditors' Report**

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### **Opinion**

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of COPESSA (Association incorporated under Section 21 of the Companies Act) as at 29 February 2012, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

### **Other matter**

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 15 to 18 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

*Watermark Auditors Incorporated*  
**Watermark Auditors Incorporated**

**N G Reed**  
**Registered Accountants and Auditors**  
**Chartered Accountants (S.A)**  
**12 October 2012**

# **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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(Registration number 2000/025755/08)

Annual Financial Statements for the year ended 29 February 2012

## **Directors' Report**

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The directors submit their report for the year ended 29 February 2012.

### **1. Review of activities**

#### **Main business and operations**

The company is engaged in 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 and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net loss of the company was R 157,172 (2011: profit R 144,296), after taxation of R - (2011: R -).

### **2. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### **3. Events after the reporting period**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

### **4. Directors**

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
Dr NB Motjuwadi	South African	
Dr U T Motjuwadi	South African	
Ms E Mabusela	South African	Resigned 15 December 2011
Ms R Issel	South African	Resigned 14 January 2012
Mr RP Qacha	South African	
Ms N Mkhize	South African	
Mr EL Borole	South African	Appointed 15 December 2011
Mr JMJ Mabasa	South African	

### **5. Secretary**

The secretary of the company is Waterford Financial Management (Proprietary) Limited of:

Business address

Unit 2 Fourways Manor Office Park  
Cnr Macbeth Avenue and Roos Street  
Fourways  
2055  
(011) 705 - 0000

Postal address

P O Box 2295  
Lonehill  
2062

# **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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## **Directors' Report**

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### **6. Auditors**

Watermark Auditors Incorporated will continue in office in accordance with section 90 of the Companies Act of South Africa.



# COPESSA (Association incorporated under Section 21 of the Companies Act)

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Annual Financial Statements for the year ended 29 February 2012

## Statement of Financial Position

	Note(s)	2012 R	2011 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	356,000	-
<b>Current Assets</b>			
Trade and other receivables	3	-	356,000
Cash and cash equivalents	4	339,999	518,958
		<b>339,999</b>	<b>874,958</b>
<b>Total Assets</b>		<b>695,999</b>	<b>874,958</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		684,775	841,947
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	11,224	33,011
<b>Total Equity and Liabilities</b>		<b>695,999</b>	<b>874,958</b>

## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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### **Statement of Comprehensive Income**

	Note(s)	2012 R	2011 R
Revenue	6	1,582,456	1,036,446
Cost of sales	7	(92,712)	-
<b>Gross profit</b>		<b>1,489,744</b>	<b>1,036,446</b>
Other income		-	17,800
Operating expenses		(1,654,478)	(925,281)
<b>Operating (loss) profit</b>	8	<b>(164,734)</b>	<b>128,965</b>
Investment revenue	9	7,562	15,331
<b>(Loss) profit for the year</b>		<b>(157,172)</b>	<b>144,296</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(157,172)</b>	<b>144,296</b>

## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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### **Statement of Changes in Equity**

	Retained income R	Total equity R
<b>Balance at 01 March 2010</b>	<b>697,651</b>	<b>697,651</b>
Changes in equity		
Total comprehensive income for the year	144,296	144,296
Total changes	144,296	144,296
<b>Balance at 01 March 2011</b>	<b>841,947</b>	<b>841,947</b>
Changes in equity		
Total comprehensive loss for the year	(157,172)	(157,172)
Total changes	(157,172)	(157,172)
<b>Balance at 29 February 2012</b>	<b>684,775</b>	<b>684,775</b>

Note(s)

## COPESSA (Association incorporated under Section 21 of the Companies Act)

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Annual Financial Statements for the year ended 29 February 2012

### Statement of Cash Flows

	Note(s)	2012 R	2011 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,344,709	363,491
Cash paid to suppliers and employees		(1,175,230)	(228,756)
Cash generated from operations	11	169,479	134,735
Interest income		7,562	15,331
<b>Net cash from operating activities</b>		<b>177,041</b>	<b>150,066</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(356,000)	-
<b>Cash flows from financing activities</b>			
Repayment of shareholders loan		-	(50,000)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(50,000)</b>
<b>Total cash movement for the year</b>		<b>(178,959)</b>	<b>100,066</b>
Cash at the beginning of the year		518,958	418,892
<b>Total cash at end of the year</b>	4	<b>339,999</b>	<b>518,958</b>

# **COPESSA (Association incorporated under Section 21 of the Companies Act)**

Formerly Community Based Prevention and Empowerment Strategie - SA

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Annual Financial Statements for the year ended 29 February 2012

## **Accounting Policies**

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### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. 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 Property, plant and equipment**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include 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.

Property, plant and equipment is written off against donation income in the year of acquisition with the exception of land and buildings, which is not depreciated and recognised at cost.

#### **1.2 Financial instruments**

##### **Financial instruments at amortised cost**

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

##### **Financial instruments at fair value**

All other financial instruments are measured at fair value through profit and loss.

#### **1.3 Tax**

##### **Tax expenses**

The company has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act therefore the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act. Furthermore, donations by or due to the public benefit organisation are exempt from donation tax in terms of section 56(1)(h) of the Income Tax Act.

#### **1.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for donations received.

Interest is recognised, in profit or loss, using the effective interest rate method.

# COPESSA (Association incorporated under Section 21 of the Companies Act)

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## Notes to the Annual Financial Statements

	2012			2011		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	422,864	(66,864)	356,000	66,864	(66,864)	-
Plant and machinery	634,330	(634,330)	-	408,545	(408,545)	-
Motor vehicles	184,986	(184,986)	-	184,986	(184,986)	-
Office equipment	428,998	(428,998)	-	428,998	(428,998)	-
IT equipment	69,281	(69,281)	-	60,335	(60,335)	-
Playpark equipment	161,190	(161,190)	-	161,190	(161,190)	-
Other electronic equipment	108,901	(108,901)	-	87,702	(87,702)	-
<b>Total</b>	<b>2,010,550</b>	<b>(1,654,550)</b>	<b>356,000</b>	<b>1,398,620</b>	<b>(1,398,620)</b>	<b>-</b>

### Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Total
Buildings	-	356,000	356,000

### 3. Trade and other receivables

Deposits	-	356,000
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	339,999	518,958
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### 5. Trade and other payables

Rounding	3	2
Other payables - payroll related	11,221	33,009
	<b>11,224</b>	<b>33,011</b>

### 6. Revenue

Donations received	1,582,456	1,036,446
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### 7. Cost of sales

Rendering of services		
Cost of services	92,712	-

### 8. Operating (loss) profit

Operating (loss) profit for the year is stated after accounting for the following:

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## Notes to the Annual Financial Statements

	2012 R	2011 R
<b>8. Operating (loss) profit (continued)</b>		
Employee costs	821,255	572,388
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	7,562	15,331
<b>10. Auditors' remuneration</b>		
Fees	9,690	10,000
<b>11. Cash generated from operations</b>		
(Loss) profit before taxation	(157,172)	144,296
<b>Adjustments for:</b>		
Interest received	(7,562)	(15,331)
<b>Changes in working capital:</b>		
Trade and other receivables	356,000	
Trade and other payables	(21,787)	5,770
	<b>169,479</b>	<b>134,735</b>
<b>12. Directors' emoluments</b>		
<b>Executive</b>		
<b>2012</b>		
	Emoluments	Total
Dr NB Motjuwadi	262,000	262,000
<b>2011</b>		
	Emoluments	Total
Dr NB Motjuwadi	207,235	207,235

## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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### **Detailed Income Statement**

	Note(s)	2012 R	2011 R
<b>Revenue</b>			
Donations received		1,582,456	1,036,446
<b>Cost of sales</b>			
Purchases		(92,712)	-
<b>Gross profit</b>		<b>1,489,744</b>	<b>1,036,446</b>
<b>Other income</b>			
Insurance proceeds		-	17,800
Interest received	9	7,562	15,331
		<b>7,562</b>	<b>33,131</b>
<b>Expenses (Refer to page 16)</b>		<b>(1,654,478)</b>	<b>(925,281)</b>
<b>(Loss) profit for the year</b>		<b>(157,172)</b>	<b>144,296</b>



## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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### **Detailed Income Statement**

	Note(s)	2012 R	2011 R
<b>Operating expenses</b>			
Auditors' remuneration	10	9,690	10,000
Bank charges		546	(6)
Computer expenses		15,739	4,789
Employee costs		821,255	572,388
Compensation fund		-	1,947
Capital expenditure		588,076	157,915
Insurance		17,312	21,599
Legal expenses		8,489	36,737
Motor vehicle expenses		4,359	26,830
Petrol and oil		20,469	8,706
Postage		873	3,094
Printing and stationery		16,295	3,579
Promotions		25,360	37,475
Repairs and maintenance		12,673	21,271
Secretarial fees		1,877	-
Security		8,557	7,096
Staff welfare		84,207	-
Subscriptions		405	-
Telephone and fax		18,296	11,861
		<b>1,654,478</b>	<b>925,281</b>

# COPESSA (Association incorporated under Section 21 of the Companies Act)

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Annual Financial Statements for the year ended 29 February 2012

## Supplementary Information

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### 1. Donations Received

	2012	2011
	R	R
ABB South Africa (Pty) Ltd	-	5,000
Aspen Pharmacare	90,000	88,000
Aurobindo Pharma	6,000	21,000
B Chapman	10,566	16,902
Brian Rodgers	-	26,000
Bringmann AI	-	3,000
Cape Gannet Properties	-	10,000
Carecross	-	10,000
Centrifugal Airconditional	10,800	-
City of Johannesburg	20,000	-
Consol Pty Ltd	35,000	-
Cwenga Technologies	14,400	6,000
EOH	320,000	110,000
Friends of COPESSA	7,300	32,103
Gauteng Department of Soc Services	429,462	300,495
German Volunteers	10,210	-
IDC	-	5,000
Infant Trust	-	79,801
Jack Sequeira Ministries	2,000	-
Jawitz	10,000	-
Munich Reins	-	15,000
Nelson Mandela Children Fund	1,000	-
Norvatis	15,000	10,000
Novo Nordisk	10,000	-
Parity Software	30,000	-
Pro-plan Consulting	50,000	-
Rotary Club - Rosebank	25,000	-
SAB	-	20,000
South African German Network	-	19,500
Synovate South Africa	-	24,500
Table of peace and Unity	30,393	21,398
Tanker Services	-	5,000
Thaba Ya Batswana	8,000	35,000
Thandile Health Risk	-	7,500
Tracker	237,747	-
Vodacom Foundation	-	95,000
VX Company	20,000	-
Waterford Fin Management	1,200	-
	<b>1,394,078</b>	<b>966,199</b>

## **COPESSA (Association incorporated under Section 21 of the Companies Act)**

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### **Supplementary Information**

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#### **2. Fundraising**

	<b>2012</b>	<b>2011</b>
	<b>R</b>	<b>R</b>
Community veggie gardens	29,787	-
COPESSA Fundraising Golf Day	53,828	59,900
Crafts for woman	-	2,960
Jumble sale	1,840	6,000
My School Card	2,923	1,388
Women of the year prize money	100,000	-
	<b>188,378</b>	<b>70,248</b>