

**Malamulele Onward NPC
(Registration number 2006/032287/08)
Annual financial statements
for the year ended 31 March 2016**

Malamulele Onward NPC

(Registration number 2006/032287/08)

Annual Financial Statements for the year ended 31 March 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non profit company incorporated in terms of Companies Act 2008
Directors	AL Fourie GM Saloojee - Executive Director JA Snyman JC Whitter - Chairman T Ralintja W Slemming
Registered office	12A Rhodes Avenue Parktown Johannesburg 2193
Business address	Gate 10 Children's Memorial Institute 13 Joubert Street Ext Braamfontein 2193 Johannesburg
Postal address	P O Box 52641 Saxonwold 2132
Company registration number	2006/032287/08
Tax reference number	9414944158
Non Profit Organisation Registration Number	056-807-NPO
Public Benefit Organisation Number	930025084
Website	www.malamuleleonward.org

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Gawie Marais
CA(SA)

Published

30 July 2016

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Directors' Responsibilities and Approval

The directors are required in terms of 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

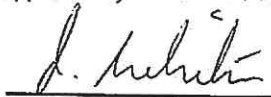
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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.

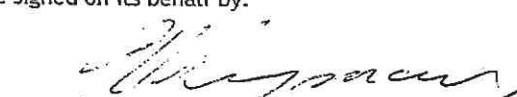
The directors have reviewed the company's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 5.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 30 July 2016 and were signed on its behalf by:



Director



Director

Parktown

30 July 2016

Malamulele Onward NPC

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Malamulele Onward NPC for the year ended 31 March 2016.

1. Review of activities

The company is a registered non profit company incorporated in terms of the Companies Act 2008 and operates principally in South Africa and occasionally in other Southern African countries.

The company is engaged in meeting the rehabilitation needs of under-served children with cerebral palsy and their families living in rural areas in South Africa and other African countries. This is achieved mainly through the provision of specialised therapy services (physio, occupational and speech therapy), equipment and caregiver training where children severely disabled by cerebral palsy have little or no access to rehabilitation therapy and equipment.

Details of the company's programmes and activities during the year under review are contained in the company's annual report.

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

2. Directorate

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

Directors

AD Rothberg

Resigned 15 August 2015

AL Fourie

GM Saloojee - Executive Director

JA Snyman

JC Whitter - Chairman

T Ralintja

W Slemming

Appointed 14 November 2015

3. 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.

4. 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.

The company is dependant on grants from donors. The directors are of the opinion that donors will continue their support in the foreseeable future and have accordingly continued to apply the going concern basis of accounting.

Independent Auditors' Report

To the Shareholder of Malamulele Onward NPC

We have audited the annual financial statements of Malamulele Onward NPC, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, 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 International Financial Reporting Standards, and 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 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.

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for Malamulele Onward NPC. It is impracticable to establish internal controls over the collection of donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all donations were recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Malamulele Onward NPC as at 31 March 2016, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. This report are the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies with the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.



BDO South Africa Incorporated

Registered Auditors

Per: Stephen Shaw

Director

30 July 2016

BDO South Africa Incorporated

Registration number: 1995/002310/21

Practice number: 905526

VAT number: 4910148685

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National Executive: S Dansie • H Bhaga-Muljee • BJ de Wet • HCS Lopes • B Lovell • FD Schneider • ME Stewart (Chief Executive) • A van der Hoek

Office Managing Director: HCS Lopes

The company's principal place of business is at 22 Wellington Road, Parktown, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO Southern African Co-ordination (Pty) Ltd, a South African company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	44 481	67 213
Intangible assets	3	40 869	-
		85 350	67 213
Current Assets			
Inventories	4	50 000	100 000
Receivables	5	13 680	10 132
Cash and cash equivalents	6	1 488 354	1 647 499
		1 552 034	1 757 631
Total Assets		1 637 384	1 824 844
Equity and Liabilities			
Equity			
Designated Income Reserves		1 445 001	1 779 389
Liabilities			
Current Liabilities			
Trade and other payables	7	192 383	45 455
Total Equity and Liabilities		1 637 384	1 824 844

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue	8	3 322 866	3 544 170
Other income		128 399	101 790
Operating expenses		(3 835 133)	(4 002 604)
Operating (deficit) surplus		(383 868)	(356 644)
Investment revenue - interest received		49 480	68 672
Finance costs		-	(2 557)
(Deficit) Surplus for the year		(334 388)	(290 529)
Other comprehensive income		-	-
Total comprehensive (deficit) surplus for the year		(334 388)	(290 529)

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Statement of Changes in Equity

Figures in Rand	Designated Income Reserves	Total equity
Balance at 01 April 2014	2 069 918	2 069 918
Surplus for the year	(290 529)	(290 529)
Other comprehensive income	-	-
Total comprehensive surplus for the year	(290 529)	(290 529)
Balance at 01 April 2015	1 779 389	1 779 389
Deficit for the year	(334 388)	(334 388)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(334 388)	(334 388)
Balance at 31 March 2016	1 445 001	1 445 001

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Annual Financial Statements for the year ended 31 March 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash (used in) generated from operations	10	(163 020)	(353 566)
Interest income		49 480	68 672
Finance costs		-	(2 557)
Net cash flow from operating activities		(113 540)	(287 451)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(4 735)	(59 709)
Purchase of other intangible assets	3	(40 869)	-
Net cash from investing activities		(45 604)	(59 709)
Total cash movement for the year		(159 144)	(347 160)
Cash at the beginning of the year		1 647 499	1 994 658
Total cash at end of the year	6	1 488 355	1 647 498

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Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, 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.

1.1 Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Depreciation is provided on the straight line basis so as to write down cost to residual value over the items estimated. Useful lives for this purpose are:

Item	Average useful life
Furniture and Fixtures	5 years
Office Equipment	5 years
IT Equipment	3 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.3 Financial instruments

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive the cash flow have expired or are transferred.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

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Accounting Policies

1.3 Financial instruments (continued)

Receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposit, and have been classified as loans and receivables. These are initially recognised at fair value and subsequently measured at amortised cost.

1.4 Impairment of non-financial assets (Inventories)

The company assesses at the end of each reporting period whether there is any indication that an asset may be impaired and if so the company estimates the recoverable amount of the asset. An impairment loss is recognised immediately in profit or loss.

1.5 Income

Income comprises of grants received or receivable in terms of a contract from donors and undesignated donations from various sources.

Donated and volunteer services are recognised when received or performed.

Donations of funds are recognised when received.

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Notes to the Annual Financial Statements

Figures in Rand 2016 2015

2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	24 189	(13 218)	10 971	24 189	(9 780)	14 409
Office equipment	15 976	(9 784)	6 192	14 310	(6 811)	7 499
IT equipment	73 556	(46 238)	27 318	70 486	(25 181)	45 305
Total	113 721	(69 240)	44 481	108 985	(41 772)	67 213

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	14 409	-	(3 438)	10 971
Office equipment	7 499	1 666	(2 973)	6 192
IT equipment	45 305	3 069	(21 056)	27 318
	67 213	4 735	(27 467)	44 481

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2 011	14 689	(2 291)	14 409
Office equipment	10 361	-	(2 862)	7 499
IT equipment	12 987	45 020	(12 702)	45 305
	25 359	59 709	(17 855)	67 213

3. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	40 869	-	40 869	-	-	-

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Total
Computer software	-	40 869	40 869

Details of computer software

Computer software relates to a data management system that allows for the update, recording and monitoring of activities. The system was only fully implemented subsequent to year end, hence no amortisation during the period under review has been provided.

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Figures in Rand	2016	2015
4. Inventories		
Inventories comprise used equipment donated as gifts-in-kind, at directors valuation	50 000	100 000
Balance at start of year	100 000	100 000
Less: equipment distributed during the year - at valuation	(17 800)	(28 900)
Impairment loss reversed / (raised)	(32 200)	28 900
	50 000	100 000
5. Receivables		
Trade receivables	13 680	-
VAT	-	10 132
	13 680	10 132
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	2 000	212
Bank balances	1 486 354	1 647 287
	1 488 354	1 647 499
7. Trade and other payables		
VAT	8 726	-
Payroll Accrual	26 982	23 079
Employee reimbursive costs payable/(paid in advance)	12 595	(3 300)
Training fees received in advance	73 450	-
Accrued Expenses	70 630	25 676
	192 383	45 455

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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
8. Revenue		
<hr/>		
Donor		
Blue Label	70 000	70 000
DG Murray Trust	600 000	1 055 900
Donated and volunteer services	283 008	170 000
The Elma Foundation	550 000	550 000
Gifts-in-Kind	48 456	92 648
Malamulele Onward Canada	207 248	370 145
Apex Hi Trust	150 000	-
Other designated grants and general donations	217 925	118 677
Anglo America Chairman's Fund	300 000	300 000
Gary Austin	-	35 000
Momentum	-	250 000
WSB Trust	-	250 000
The National Lottery	-	281 800
RB Hagart Trust	200 000	-
Rocbolt Technologies	102 000	-
International Development and Relief Foundation	224 565	-
Unifor Social Justice Fund	283 055	-
Modular Mining	86 609	-
	3 322 866	3 544 170

9. Taxation

No provision for taxation has been provided for as the company is a Public Benefit Organisation in terms of section 30 of the Income Tax Act and is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

10. Cash used in operations

(Deficit) Surplus before taxation	(334 388)	(290 529)
Adjustments for:		
Depreciation and amortisation	27 468	17 856
Interest received - investment	(49 480)	(68 672)
Finance costs	-	2 557
Impairment of inventory	32 200	-
Changes in working capital:		
Inventories	17 800	-
Receivables	(3 548)	(4 391)
Trade and other payables	146 928	(10 387)
	(163 020)	(353 566)

11. Risk management

The company's activities expose it to certain financial and other risk. Risk management is carried out by management under policies approved by the Board.

Liquidity risk

Liquidity risk is the risk that insufficient funds will be available to meet future obligations as they fall due. The directors manage the company's commitments in accordance with funds that will be available.

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Notes to the Annual Financial Statements

Figures in Rand

2016

2015

11. Risk management (continued)

Interest rate risk

The company's surplus cash earns interest at variable rates. Cash flow will therefore vary with changes in the level of interest rates. However, the effect of a change in the level of interest rates of a reasonably expected magnitude (eg 1%) is not material.

Credit risk

Credit risk arises mainly on cash deposits. The company only deposits cash with major banks with high quality credit standing.

Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.