

**ONS PLEK PROJECTS
(REGISTRATION NUMBER 009-578 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Providing services accessible to female street children
MEMBERS AND MANAGEMENT COMMITTEE	P. Jackson (Director) C. Nel (Chairperson) B. R. Dumbutshena (Deputy Chairperson) R.M. Hudson-Bennett Chartered Accountant (S.A.) (Treasurer) L. Witz (Secretary) T.M. Ngcobo M. Pike A. Olanrewaju G. Becker H. Norval
REGISTERED OFFICE	7 Malleson Road MOWBRAY 7700
POSTAL ADDRESS	PO Box 12924 MOWBRAY 7705
BANKERS	First National Bank of South Africa A division of FirstRand Bank Limited
AUDITORS	Marx Gore Chartered Accountants (S.A.) Registered Auditors
NON PROFIT ORGANISATION NUMBER	009-578 NPO
TAX REFERENCE NUMBER	9848/597/14/3

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MEMBERS' RESPONSIBILITIES AND APPROVAL

The members 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 fairly present the state of affairs of the organisation 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 organisations policies and constitution. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the organisations policies and constitution, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The members 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 members have reviewed the organisation's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the Management Committee and were signed on its behalf by:



P. Jackson (Director)



R.M. Hudson-Bennett
Chartered Accountant (S.A.) (Treasurer)

27/09/2017
Date



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONS PLEK PROJECTS.

We have audited the annual financial statements of Ons Plek Projects, as set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2017, and the statement of Financial Performance, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising significant accounting policies and other explanatory information.

Members' Responsibility for the Annual Financial Statements

The organisation's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the organisations policies and constitution. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 auditors consider internal control relevant to the organisation'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 organisation'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 qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations of this type, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examinations beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the annual financial statements of Ons Plek Projects for the year then ended 31 March 2017 give a true and fair view of the financial position of the organisation and of its financial performance and its cash flows for the year then ended in accordance with the organisations policies and constitution.

MARX GORE
Registered Auditors

Chartered Accountants (S.A.): The Pavilion, Central Park, Esplanade, Century City, 7441.

Practice number: 937371

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Eric Michael Marx, CA (SA)* Marc Charles Gore, B Com (Hon.) CA (SA)*
Bernard Asher Lazarus, B Com, CA (SA) *Partners

Date

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MEMBERS' REPORT**

The members have pleasure in submitting their report on the annual financial statements of Ons Plek Projects for the year ended 31 March 2017.

1. NATURE OF BUSINESS

The organisation is engaged in providing services accessible to female street children.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

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

3. MANAGEMENT COMMITTEE

The management committee of the organisation during the year and to date of this report are as follows:

Management committee

P. Jackson (Director)
C. Nel (Chairperson)
B. R. Dumbutshena
(Deputy Chairperson)
R.M. Hudson-Bennett
Chartered Accountant
(S.A.) (Treasurer)
L. Witz (Secretary)
T.M. Ngcobo
M. Pike
A. Olanrewaju
G. Becker
H. Norval

4. EVENTS AFTER THE REPORTING PERIOD

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

5. AUDITORS

Marx Gore continued in office as auditors for the organisation for 2018.

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

Figures in Rand	Note(s)	2017	2016
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	3 041 094	2 944 243
Current Assets			
Accounts receivable	3	62 758	62 860
Cash and cash equivalents	4	829 015	1 215 530
		891 773	1 278 390
Total Assets		3 932 867	4 222 633
EQUITY AND LIABILITIES			
EQUITY			
Reserves		2 199 990	2 199 990
Accumulated surplus		1 450 394	1 784 960
		3 650 384	3 984 950
LIABILITIES			
Current Liabilities			
Accounts payable	5	115 595	80 153
Provisions	6	166 888	157 530
		282 483	237 683
Total Equity and Liabilities		3 932 867	4 222 633

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STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2017	2016
Revenue		4 537 104	4 010 868
Other income		39 765	106 863
Operating expenses		(4 998 028)	(3 923 190)
Operating (deficit) surplus	7	(421 159)	194 541
Investment revenue	8	86 972	92 279
Finance costs		(379)	(2 296)
(deficit) surplus for the year		(334 566)	284 524

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Future Projects Reserve	Revaluation reserve	Total reserves	Accumulated surplus	Total
Balance at 01 April 2015	1 588 990	611 000	2 199 990	1 500 436	3 700 426
Surplus for the year	-	-	-	284 524	284 524
Balance at 01 April 2016	1 588 990	611 000	2 199 990	1 784 960	3 984 950
Deficit for the year	-	-	-	(334 566)	(334 566)
Balance at 31 March 2017	1 588 990	611 000	2 199 990	1 450 394	3 650 384

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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash (used in) generated from operations	11	(261 193)	109 343
Interest income		86 972	92 279
Finance costs		(379)	(2 296)
Net cash from operating activities		(174 600)	199 326
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(211 913)	(2 167 489)
Total cash movement for the year		(386 513)	(1 968 163)
Cash at the beginning of the year		1 215 530	3 183 694
Total cash at end of the year	4	829 017	1 215 531

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ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	20 years
Containers	Straight line	10 years
Furniture and fixtures	Straight line	10 years
IT equipment	Straight line	3 years

Land is not depreciated.

1.2 GOVERNMENT GRANTS

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.3 REVENUE

Revenue is measured at the value of the consideration received and represents the amounts received for donations, fundraising and grants.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2017 2016

2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 522 000	-	2 522 000	2 522 000	-	2 522 000
Buildings	792 786	(496 703)	296 083	770 719	(440 636)	330 083
Furniture and fixtures	419 013	(343 082)	75 931	388 864	(325 130)	63 734
IT equipment	379 976	(244 652)	135 324	220 278	(206 743)	13 535
Containers	31 350	(19 594)	11 756	31 350	(16 459)	14 891
Total	4 145 125	(1 104 031)	3 041 094	3 933 211	(988 968)	2 944 243

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Land	2 522 000	-	-	2 522 000
Buildings	330 083	22 067	(56 067)	296 083
Furniture and fixtures	63 734	30 149	(17 952)	75 931
IT equipment	13 535	159 697	(37 908)	135 324
Containers	14 891	-	(3 135)	11 756
	2 944 243	211 913	(115 062)	3 041 094

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Land	362 000	2 160 000	-	2 522 000
Buildings	364 083	-	(34 000)	330 083
Furniture and fixtures	74 985	6 289	(17 540)	63 734
IT equipment	26 033	1 200	(13 698)	13 535
Containers	18 026	-	(3 135)	14 891
	845 127	2 167 489	(68 373)	2 944 243

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Figures in Rand	2017	2016
2. PROPERTY, PLANT AND EQUIPMENT (continued)		
Details of properties		
Erf 117425, Cape Town		
Land and buildings measuring 223 square metres, held under title deed number T79902/2005		
- Purchase price: 4 October 2005	29 000	29 000
- Revaluation: 2006	93 000	93 000
	122 000	122 000
Erf 28893, 7 Malleson Road, Mowbray, Cape Town		
Land and buildings held under title deed number T140345/2015		
- Purchase price: 22 July 2015	2 400 000	2 400 000
Buildings		
- Purchase price: 4 October 2005	162 000	162 000
- Revaluation: 2006	518 000	518 000
- 2009 Additions	79 653	79 653
- 2010 Additions	11 067	11 067
- 2017 Additions	22 067	-
- Accumulated depreciation	(496 704)	(440 637)
	296 083	330 083
3. ACCOUNTS RECEIVABLE		
Debtors receivable	4	4 903
Prepayments	12 174	10 863
Value Added Taxation (VAT)	50 580	36 894
Accrued income	-	10 200
	62 758	62 860
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Petty cash	12 584	6 763
Nedbank Private Wealth investment account	671 956	774 735
Current account	27 335	233 296
Nedbank Private Wealth Abil income portfolio	117 140	200 736
	829 015	1 215 530
5. ACCOUNTS PAYABLE		
Income received in advance (refer supplementary information page 15)	74 998	74 998
Accrued expenses	40 597	5 155
	115 595	80 153

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2017	2016
6. PROVISIONS		
Non-current liabilities		
Provision for leave pay	166 888	157 530
	166 888	157 530
7. OPERATING (DEFICIT) SURPLUS		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	6 600	79 086
	115 062	68 373
Depreciation on property, plant and equipment	2 811 962	2 633 935
Salaries and wages		
8. INVESTMENT REVENUE		
Interest revenue		
Bank	86 972	92 279
9. TAXATION		
No provision has been made for 2017 tax as the organisation has been granted exemption from tax.		
10. AUDITOR'S REMUNERATION		
Fees	12 800	12 000
11. CASH (USED IN) GENERATED FROM OPERATIONS		
(Deficit) surplus before taxation	(334 566)	284 524
Adjustments for:		
Depreciation	115 062	68 373
Interest received	(86 972)	(92 279)
Finance costs	379	2 296
Balance of building reconstruction funding taken to future project reserve	9 358	62 985
Changes in working capital:		
Accounts receivable	104	(13 546)
Accounts payable	35 442	(203 010)
	(261 193)	109 343

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DETAILED STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2017	2016
REVENUE			
Donations		1 283 231	1 333 793
Fundraising		350 876	796 085
Grants (refer supplementary information page 15)		150 000	100 000
Japan embassy project		1 124 486	-
Bursary income		15 000	15 000
Grants - The National Lottery Distribution Fund		-	202 000
Subsidies - Department of Social Services (refer supplementary information page 15)		1 613 511	1 563 990
		4 537 104	4 010 868
OTHER INCOME			
Rental income		-	106 452
Community connections		19 712	-
Insurance claim		20 053	-
Book sales		-	411
Interest received	8	86 972	92 279
		126 737	199 142
OPERATING EXPENSES			
Administration costs		22 080	21 706
Advertising		825	2 072
Auditors remuneration	10	12 800	12 000
Bank charges		20 421	18 368
Cleaning and toiletries		25 840	21 343
Clothing		-	211
Depreciation		115 062	68 373
Education and recreation		106 494	69 728
Electricity, refuse removal and water		141 737	118 864
Fundraising and functions		71 075	24 286
General expenses		20 860	-
Greening project expenses		-	200 328
Groceries		155 553	121 410
Insurance		19 270	18 770
Japan embassy project		1 124 210	-
Kitchen utensils and minor assets		1 163	2 319
Lease rentals on operating lease		6 600	79 086
Medical expenses		2 382	2 128
Printing, stationery and postage		29 622	25 147
Professional services		31 702	40 184
Repairs and maintenance		141 493	144 184
Salaries and wages		2 811 962	2 633 935
Security project		30 448	212 984
Staff training		11 852	16 374
Subscriptions and affiliation fees		3 803	5 200
Telephone and fax		49 706	41 878
Transport		41 068	22 312
		4 998 028	3 923 190
Operating (deficit) surplus	7	(334 187)	286 820
Finance costs		(379)	(2 296)
(Deficit) surplus for the year		(334 566)	284 524

The supplementary information presented does not form part of the annual financial statements and is unaudited

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SUPPLEMENTARY INFORMATION

1. GRANTS

	2017	2016
Community Chest	50 000	-
StreetSmart South Africa	100 000	100 000
	150 000	100 000

2. SUBSIDIES

	2017	2016
Department of Social Services	1 339 875	1 290 354
Department of Social Services - Ukondla	273 636	273 636
	1 613 511	1 563 990

3. INCOME RECEIVED IN ADVANCE

	2017	2016
StreetSmart South Arica	75 000	75 000