

**The Rachel Swart Fund
Non-profit Organisation
(Registration number 002-955)
Annual Financial Statements
for the year ended 31 March 2017**

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Index

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

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

Annexure A - Schedule of Investments

The annual financial statements set out on pages 4 to 9, were approved and signed by:



Chairman



Secretary

Cape Town
29 August 2017

Independent Auditors' Report

To the trustees of The Rachel Swart Fund

Qualified opinion

We have audited the annual financial statements of The Rachel Swart Fund set out on pages 4 to 9, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, and the 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 of The Rachel Swart Fund for the year ended 31 March 2017 are prepared, in all material aspects, in accordance with the basis of accounting set out in Note 1 to the financial statements.

Basis for qualified opinion

In common with similar organizations, it is not feasible for The Rachel Swart Fund to institute accounting controls over cash collections from minor donations and certain fund raising projects prior to the initial entry of these collections in accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually 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 organisation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter - Basis of Accounting

We draw attention to Note 1 to the Annual Financial Statements which describes the basis of accounting. The financial statements are prepared in accordance with the organisation's own accounting policies to satisfy the financial information needs to the committee members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The committee members are responsible for the other information. The other information comprises the schedule of investments which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditors' 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, 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 Auditors' Report

Responsibilities of the committee members for the annual financial statements

The committee members are responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting in Note 1 and for such internal control as they 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 committee members are responsible for assessing the organisation'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 committee members either intend to liquidate the organisation 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 auditors' 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the trust 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.

Furthermore, we communicate with the committee members 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.

Nolands Inc
Registered Auditors
Practice number: 900583e
Per: Mark Schulze CA(SA), RA
Director

29 August 2017
Cape Town

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Investments	2	5,116,334	5,485,623
Current Assets			
Trade and other receivables	3	87,955	59,086
Cash and cash equivalents	4	3,002,251	2,244,746
		<u>3,090,206</u>	<u>2,303,832</u>
Total Assets		<u>8,206,540</u>	<u>7,789,455</u>
Equity and Liabilities			
Equity			
Capital reserve	5	8,298,668	8,350,151
Accumulated deficit	6	(702,770)	(838,921)
		<u>7,595,898</u>	<u>7,511,230</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	353,327	6,716
Deferred income	8	257,315	271,509
		<u>610,642</u>	<u>278,225</u>
Total Equity and Liabilities		<u>8,206,540</u>	<u>7,789,455</u>

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Other income			
Donations		1,952,100	1,109,139
Net Interest and dividends received		426,322	325,052
		<u>2,378,422</u>	<u>1,434,191</u>
Operating expenses			
Accounting fees		21,450	-
Assistance to Disabled - Appliances		1,174,017	940,279
Assistance to Disabled - Financial		-	4,700
Assistance to Disabled - Maintenance		231,154	142,255
Auditors' remuneration		12,002	13,950
Bank charges		3,107	2,933
Computer expenses		2,822	1,640
Electricity		3,388	5,044
Equipment rental		5,925	5,454
Fund Raising Expenses		86,116	14,360
Insurance		6,951	6,442
Internet Charges		2,363	3,463
Lease rentals		22,718	21,285
Miscellaneous expenses		13,913	10,993
Postage and courier		6,532	736
Printing and stationery		9,841	6,942
Salaries and wages		575,001	574,682
Subscriptions		1,478	1,200
Tea and refreshments		1,358	2,419
Telephone and fax		5,491	9,120
Travel - local		56,646	1,665
		<u>2,242,273</u>	<u>1,769,562</u>
Surplus (deficit) before taxation		136,149	(335,371)
Taxation	10	-	-
Surplus (deficit) for the year		<u>136,149</u>	<u>(335,371)</u>

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from (used in) operations	11	13,374	(708,303)
Interest and dividends received		426,322	325,052
Net cash inflows / (outflows) from operating activities		439,696	(383,251)
Cash flows from investing activities			
Net proceeds on disposal and purchase of investments		317,809	843,285
Net cash inflows / (outflows) from investing activities		317,809	843,285
Total cash movement for the year		757,505	460,034
Cash at the beginning of the year		2,244,746	1,784,712
Total cash and cash equivalents at end of the year	4	3,002,251	2,244,746

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with accounting policies as determined by the committee members.

These accounting policies are consistent with the previous period.

1.1 Investment property

Non-current investments are shown at market values.

1.2 Property, plant and equipment

Depreciation is calculated on the straight-line method to write off the cost of each asset over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Item	Rates
Office equipment	20%
Computer equipment	33.33%

1.3 Financial instruments

Trade and other receivables

Trade receivables are initially measured 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, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. Bank overdrafts are disclosed under current liabilities on the face of the statement of financial position.

1.4 Revenue

Interest is recognised, on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

Dividends are recognised when the last date to register for the dividend has passed.

Donations are recognised when received, but subsequently deferred if the Fund only has the unconditional right to the funds in the year that it is utilised.

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016																																				
2. Investments																																						
Listed shares at market value	5,116,334	5,485,623																																				
A schedule of investments is attached hereto.																																						
3. Trade and other receivables																																						
Value added taxation	87,955	59,086																																				
4. Cash and cash equivalents																																						
Cash and cash equivalents consist of:																																						
Bank balances	3,002,251	2,244,746																																				
5. Capital reserve																																						
Balance as at the beginning of the year	8,350,151	8,555,587																																				
Market value movement in investments	(51,483)	(205,436)																																				
	<u>8,298,668</u>	<u>8,350,151</u>																																				
6. Accumulated funds																																						
Balance at the beginning of the year	(838,921)	(503,550)																																				
Market value movements in investments	136,151	(335,371)																																				
	<u>(702,770)</u>	<u>(838,921)</u>																																				
7. Trade and other payables																																						
Trade payables	64,159	-																																				
Accruals	289,168	6,716																																				
	<u>353,327</u>	<u>6,716</u>																																				
8. Deferred income																																						
Donations carried over to the following financial year	257,315	271,509																																				
9. Property, plant and equipment																																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="3" style="text-align: center;">2017</th> <th colspan="3" style="text-align: center;">2016</th> </tr> <tr> <th></th> <th style="text-align: center;">Cost</th> <th style="text-align: center;">Accumulated depreciation</th> <th style="text-align: center;">Carrying value</th> <th style="text-align: center;">Cost</th> <th style="text-align: center;">Accumulated depreciation</th> <th style="text-align: center;">Carrying value</th> </tr> </thead> <tbody> <tr> <td>Computer equipment</td> <td style="text-align: right;">11,948</td> <td style="text-align: right;">(11,948)</td> <td style="text-align: center;">-</td> <td style="text-align: right;">11,948</td> <td style="text-align: right;">(11,948)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Office equipment</td> <td style="text-align: right;">25,501</td> <td style="text-align: right;">(25,501)</td> <td style="text-align: center;">-</td> <td style="text-align: right;">25,501</td> <td style="text-align: right;">(25,501)</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">37,449</td> <td style="text-align: right;">(37,449)</td> <td style="text-align: center;">-</td> <td style="text-align: right;">37,449</td> <td style="text-align: right;">(37,449)</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>				2017			2016				Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Computer equipment	11,948	(11,948)	-	11,948	(11,948)	-	Office equipment	25,501	(25,501)	-	25,501	(25,501)	-	Total	37,449	(37,449)	-	37,449	(37,449)	-
	2017			2016																																		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value																																
Computer equipment	11,948	(11,948)	-	11,948	(11,948)	-																																
Office equipment	25,501	(25,501)	-	25,501	(25,501)	-																																
Total	37,449	(37,449)	-	37,449	(37,449)	-																																

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
10. Taxation		
No provision has been made for 2017 tax as the trust is exempt from taxation in terms of s10(1)(cN) of the Income Tax Act.		
11. Cash generated from (used in) operations		
Surplus (deficit) before taxation	136,149	(335,371)
Adjustments for:		
Interest and dividends received	(426,322)	(325,052)
Changes in working capital:		
Trade and other receivables	(28,869)	(28,030)
Trade and other payables	346,610	(31,139)
Deferred income	(14,194)	11,289
	<u>13,374</u>	<u>(708,303)</u>