

**The Rachel Swart Fund
Non-profit Organisation
(Registration number 002-955)
Annual Financial Statements
for the year ended 31 March 2016**

The Rachel Swart Fund
Annual Financial Statements for the year ended 31 March 2016

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

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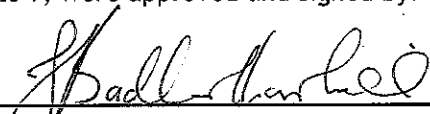
The following supplementary information does not form part of the annual financial statements and is unaudited:

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
27 September 2016

Independent Auditor's Report

To the committee members of The Rachel Swart Fund

We have audited the accompanying annual financial statements of The Rachel Swart Fund, which comprise the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 9.

Committee members' responsibility for the Annual Financial Statements

The committee members are responsible for the preparation of these annual financial statements in accordance with the basis of accounting described in Note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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 that the annual financial statements are free of 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 auditor's judgement, including the assessment of the risk of material misstatement of the annual financial statements, whether due to fraud or error. In making those 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 financial statement presentation.

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

Basis for qualified opinion

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

AUDITING & INSIGHT

Qualified opinion

In our opinion, except for the effects of the matter described in the preceding paragraph, the accompanying financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Basis of accounting

Without further qualifying our opinion above, we draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the fund in providing financial statements to the members and other users of the financial statements. As a result, the financial statements may not be suitable for another purpose.

Nolands

Nolands Inc.

Registered Auditors

Practice number: 900583e

Per: Mark Schulze CA(SA), RA

Director

Cape Town

27 September 2016

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Statement of Financial Position

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Investments	2	5,485,623	6,534,341
Current Assets			
Trade and other receivables	3	59,086	31,056
Cash and cash equivalents	4	2,244,746	1,784,712
		<u>2,303,832</u>	<u>1,815,768</u>
Total Assets		<u>7,789,455</u>	<u>8,350,109</u>
Equity and Liabilities			
Equity			
Accumulated (deficit) / surplus	5	(838,921)	(503,550)
Capital reserve	6	8,350,151	8,555,587
		<u>7,511,230</u>	<u>8,052,037</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	6,716	37,852
Deferred income	8	271,509	260,220
		<u>278,225</u>	<u>298,072</u>
Total Equity and Liabilities		<u>7,789,455</u>	<u>8,350,109</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Other income			
Donations - Lottery		-	81,268
Donations - Other		1,109,139	1,147,483
Donations - John Ellerman Foundation		-	251,722
Net Interest and dividends received		325,052	311,455
		<u>1,434,191</u>	<u>1,791,928</u>
Operating expenses			
Assistance to Disabled - Appliances		940,279	1,073,009
Assistance to Disabled - Financial		4,700	200
Assistance to Disabled - Lottery - Maintenance		-	28,415
Assistance to Disabled - Maintenance		142,255	72,783
Auditors remuneration		13,950	10,000
Bank charges		2,861	3,202
Computer expenses		1,640	11,119
Electricity		5,044	4,200
Equipment Rental		5,454	4,935
Fund Raising Expenses		14,360	16,087
Insurance		6,442	6,359
Internet Charges		3,463	4,326
Lease rentals		21,285	19,735
Miscellaneous expenses		11,065	9,263
Postage		736	841
Printing and stationery		6,942	8,921
Salaries and wages		574,682	539,707
Subscriptions		1,200	200
Tea and refreshments		2,419	1,991
Telephone and fax		9,120	8,115
Travel - local		1,665	20,748
		<u>1,769,562</u>	<u>1,844,156</u>
Deficit before taxation		(335,371)	(52,228)
Taxation	10	-	-
Deficit for the year		(335,371)	(52,228)

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Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash used in operations	11	(708,303)	(662,869)
Interest and dividends received		325,052	311,455
Net cash from operating activities		(383,251)	(351,414)
Cash flows from investing activities			
Net proceeds on disposal and purchase of investments		843,285	(79,850)
Net cash from investing activities		843,285	(79,850)
Net cash movement for the year		460,034	(431,264)
Cash and cash equivalents at the beginning of the year		1,784,712	2,215,976
Cash and cash equivalents at the end of the year	4	2,244,746	1,784,712

The Rachel Swart Fund
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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with generally accepted accounting practice. The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Investments

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.

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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
2. Investments		
Listed shares at market value	5,485,623	6,534,341
A schedule of investments is attached hereto.		
3. Trade and other receivables		
Trade receivables		
Value added taxation	59,086	31,056
	<u>59,086</u>	<u>31,056</u>
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2,244,746	1,784,712
5. Accumulated funds		
Balance at beginning of year	(503,550)	(451,322)
Net deficit for the year	(335,371)	(52,228)
	<u>(838,921)</u>	<u>(503,550)</u>
6. Capital reserve		
Balance at the beginning of the year	8,555,587	7,837,388
Market value movements in investments	(205,436)	718,199
	<u>8,350,151</u>	<u>8,555,587</u>
7. Trade and other payables		
Accruals	6,716	37,852
8. Deferred income		
Donations carried over to the following financial year	271,509	260,220

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Notes to the Annual Financial Statements

Figures in Rand 2016 2015

9. Property, plant and equipment

	2016			2015		
	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)	-

10. Taxation

No provision has been made for 2015 taxation as the trust is exempt from taxation in terms of s10(1)(cN) of the Income Tax Act.

11. Cash used in operations

Deficit before taxation	(335,371)	(52,233)
Adjustments for:		
Interest and dividends received	(325,052)	(311,455)
Changes in working capital:		
Trade and other receivables	(28,030)	(20,803)
Trade and other payables	(31,139)	36,621
Deferred income	11,289	(314,999)
	(708,303)	(662,869)