

**The Rachel Swart Fund  
Non-profit Organisation  
(Registration number 002-955)  
Annual Financial Statements  
for the year ended 31 March 2018**

The Rachel Swart Fund  
Annual Financial Statements for the year ended 31 March 2018

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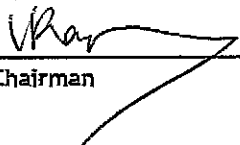
The reports and statements set out below comprise the annual financial statements presented to the trustees:

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

Detailed Income Statement	11
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The annual financial statements set out on pages 4 to 11, were approved and signed by:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Secretary

Cape Town  
20 September 2018

## Independent Auditor's Report

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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 10, which comprise the Statement of Financial Position as at 31 March 2018, and the statement of comprehensive income, 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 present fairly, in all material respects, the financial position of The Rachel Swart Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

### Basis for qualified opinion

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 trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA 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 IESBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with similar organisations, it is not feasible for the trust to institute accounting controls over cash collections from donations and other voluntary income prior to intail entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

### Other information

The committee members is responsible for the other information. The other information comprises the detailed income statement and 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 auditor's 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.

### Responsibilities of the director for the annual financial statements

The committee members is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the trustee 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 is 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.

## Independent Auditor's Report

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### 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 auditor's 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statement 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 auditor's 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 statement, including the disclosures, and whether the annual financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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*

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

20 September 2018  
Cape Town

The Rachel Swart Fund  
Annual Financial Statements for the year ended 31 March 2018

**Statement of Financial Position as at 31 March 2018**

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	6,523	-
Investments	3	4,928,476	5,116,334
		<u>4,934,999</u>	<u>5,116,334</u>
<b>Current Assets</b>			
Trade and other receivables	4	107,020	87,955
Cash and cash equivalents	5	3,037,366	3,002,251
		<u>3,144,386</u>	<u>3,090,206</u>
<b>Total Assets</b>		<u><b>8,079,385</b></u>	<u><b>8,206,540</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Capital reserve	6	8,587,273	8,298,668
Accumulated deficit	7	(920,560)	(702,770)
		<u>7,666,713</u>	<u>7,595,898</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	376,383	353,327
Deferred income	9	36,289	257,315
		<u>412,672</u>	<u>610,642</u>
<b>Total Equity and Liabilities</b>		<u><b>8,079,385</b></u>	<u><b>8,206,540</b></u>

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Annual Financial Statements for the year ended 31 March 2018

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2018	2017
Other income		1,688,541	1,952,100
Operating expenses		(2,393,744)	(2,242,273)
Operating deficit		(705,203)	(290,173)
Interest received		487,413	426,322
(Deficit) surplus before taxation		(217,790)	136,149
Taxation	11.	-	-
(Deficit) surplus for the year		(217,790)	136,149
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(217,790)</b>	<b>136,149</b>

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**Statement of Cash Flows**

Figures in Rand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	10	(632,329)	13,374
Interest and dividends received		487,413	426,322
<b>Net cash (outflows) / inflows from operating activities</b>		<b>(144,916)</b>	<b>439,696</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(7,828)	-
Net proceeds on disposal and purchase of investments		187,859	317,809
<b>Net cash inflows / (outflows) from investing activities</b>		<b>180,031</b>	<b>317,809</b>
<b>Total cash movement for the year</b>		<b>35,115</b>	<b>757,505</b>
Cash at the beginning of the year		3,002,251	2,244,746
<b>Total cash and cash equivalents at end of the year</b>	5	<b>3,037,366</b>	<b>3,002,251</b>

## 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. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

For all periods up to and including the year ended 31 March 2017, the Association has prepared its financial statements in accordance with the an entity specific basis of preparation.

These financial statements for the year ended 31 March 2018 are the first the Association has prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

#### 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 initially measured at cost.

Cost 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 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:

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Item	Depreciation method	Rate
Office equipment	Straight line	20%
Computer equipment	Straight line	33.33%

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#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.



## Accounting Policies

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### 1.2 Financial instruments (continued)

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

### 1.3 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

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 2018

Notes to the Annual Financial Statements

Figures in Rand	2018			2017		
<b>2. Property, plant and equipment</b>						
	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	19,776	(13,253)	6,523	11,948	(11,948)	-
Office equipment	25,501	(25,501)	-	25,501	(25,501)	-
<b>Total</b>	<b>45,277</b>	<b>(38,754)</b>	<b>6,523</b>	<b>37,449</b>	<b>(37,449)</b>	<b>-</b>
<b>Reconciliation of property, plant and equipment - 2018</b>						
	Opening balance	Additions	Depreciation	Total		
Computer equipment	-	7,828	(1,305)	6,523		
<b>3. Investments</b>						
Listed shares at market value		4,928,476		5,116,334		
A schedule of investments is attached hereto.						
<b>4. Trade and other receivables</b>						
Value added taxation		107,020		87,955		
<b>5. Cash and cash equivalents</b>						
Cash and cash equivalents consist of:						
Bank balances		3,037,366		3,002,251		
<b>6. Capital Reserves</b>						
Balances at the beginning of the year		8,298,668		8,350,151		
Market value movements in investments		288,605		(51,483)		
		<b>8,587,273</b>		<b>8,298,668</b>		
<b>7. Accumulated funds</b>						
Balance at the beginning of the year		(702,770)		(838,921)		
Market value of movement in investments		(217,790)		136,151		
		<b>(920,560)</b>		<b>(702,770)</b>		
<b>8. Trade and other payables</b>						
Trade payables		376,383		64,159		
Accruals		-		289,168		
		<b>376,383</b>		<b>353,327</b>		

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>9. Deferred income</b>		
Donations carried over to the following financial year	36,289	257,315
<b>10. Cash (used in) generated from operations</b>		
(Deficit) surplus before taxation	(217,790)	136,149
Adjustments for:		
Depreciation	1,305	-
Interest and dividends received	(487,413)	(426,322)
Fair value increase in investments	288,605	-
Changes in working capital:		
Trade and other receivables	(19,065)	(28,869)
Trade and other payables	23,055	346,610
Deferred income	(221,026)	(14,194)
	<u>(632,329)</u>	<u>13,374</u>

**11. Taxation**

No provision has been made for 2018 tax as the trust is exempt from taxation in terms of s10(1)(cN) of the Income Tax Act.

The Rachel Swart Fund  
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**Detailed Income Statement**

Figures in Rand	Note(s)	2018	2017
<b>Other income</b>			
Donations		1,688,541	1,952,100
Interest received		487,413	426,322
		<u>2,175,954</u>	<u>2,378,422</u>
<b>Program costs</b>			
Assistance to Disabled - Appliances		(1,431,831)	(1,174,017)
Assistance to Disabled - Maintenance		(149,453)	(231,154)
Assistance to Disabled - Monitoring and evaluation		(44,449)	(11,986)
		<u>(1,625,733)</u>	<u>(1,417,157)</u>
<b>Operating expenses</b>			
Accounting fees		(70,958)	(21,450)
Auditors' remuneration		(11,000)	(12,002)
Bank charges		(63,397)	(3,107)
Computer expenses		(5,279)	(5,185)
Depreciation		(1,305)	-
Electricity		-	(3,388)
Employee costs		(503,230)	(575,001)
Equipment rental		(7,260)	(5,925)
Fundraising expenses		(18,168)	(76,574)
Insurance		(5,028)	(6,951)
Lease rentals		(28,733)	(22,718)
Miscellaneous expense		(14,470)	(11,469)
Postage and courier		(7,918)	(6,532)
Printing and stationery		(7,154)	(9,841)
Subscriptions		-	(1,478)
Tea and refreshments		(1,613)	(1,358)
Telephone and internet		(15,459)	(5,491)
Travel - local		(7,039)	(56,646)
		<u>(768,011)</u>	<u>(825,116)</u>
<b>Total expenditure</b>		<u>(2,393,744)</u>	<u>(2,242,273)</u>
<b>(Deficit) surplus before taxation</b>		<b>(217,790)</b>	<b>136,149</b>
Taxation	11	-	-
<b>(Deficit) surplus for the year</b>		<u><b>(217,790)</b></u>	<u><b>136,149</b></u>