

**Child Accident Prevention Foundation
of Southern Africa
(Registration number 003-467NPO)
Annual financial statements
for the year ended 31 March 2019**

Child Accident Prevention Foundation of Southern Africa Annual Financial Statements for the year ended 31 March 2019

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

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Independent Auditor's Report

To the management committee members of Child Accident Prevention Foundation of Southern Africa

Opinion

We have audited the annual financial statements of Child Accident Prevention Foundation of Southern Africa set out on pages 5 to 9, which comprise the balance sheet as at 31 March 2019, and the statement of income and expenditure, for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present, in all material respects, the financial position of Child Accident Prevention Foundation of Southern Africa as at 31 March 2019, and its financial performance for the year then ended in accordance with basis of accounting described in Note 1.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management committee for the annual financial statements

The management committee members are responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting set out in Note 1 and the requirements of the Non-Profit Organisations Act of South Africa, and for such internal control as the management committee members 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 management 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 management 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

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 management committee members.
- Conclude on the appropriateness of the management 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 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 auditor's report. However, future events or conditions may cause the organisation 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 management 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
Craig Stansfield CA(SA), RA
Director

Cape Town
25 July 2019

Child Accident Prevention Foundation of Southern Africa Annual Financial Statements for the year ended 31 March 2019

Management Committee's Responsibilities and Approval

The management committee 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 materially present the state of affairs of the organisation as at the end of the financial year and the results of its operations for the period then ended, in conformity with the generally accepted accounting practice and the Non-Profit Organisations Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the generally accepted accounting practice and the Non-Profit Organisations Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The management committee acknowledge that it is 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 management committee to meet these responsibilities, it sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. Those 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 management committee is 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 external auditors 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 auditors and their report is presented on page 2 to 3.

The annual financial statements set out on pages 5 to 9, which have been prepared on the going concern basis, were approved by the management committee and were signed on their behalf by:

Chairman

Honorary Treasurer

**Cape Town
25 July 2019**

**Child Accident Prevention Foundation of Southern Africa
Annual Financial Statements for the year ended 31 March 2019**

Balance Sheet

Figures in Rand	Note(s)	2019	2018
ASSETS			
Non-Current Assets			
Fixed assets	2	89 242	21 053
Current Assets			
Trade and other receivables	3	249 918	9 813
Cash and cash equivalents	4	4 178 204	4 602 906
		4 428 122	4 612 719
TOTAL ASSETS		4 517 364	4 633 772
FUNDS AND LIABILITIES			
FUNDS AND RESERVES			
Sustainability fund	5	1 000 000	1 000 000
Accumulated funds	6	376 853	690 477
		1 376 853	1 690 477
LIABILITIES			
Current Liabilities			
Trade and other payables	7	182 512	48 853
Deferred income	8	2 957 999	2 894 442
		3 140 511	2 943 295
TOTAL FUNDS AND LIABILITIES		4 517 364	4 633 772

**Child Accident Prevention Foundation of Southern Africa
Annual Financial Statements for the year ended 31 March 2019**

Statement of Income and Expenditure

Figures in Rand	Note(s)	2019	2018
Income			
Donations and other funding	9	6 245 454	3 010 729
Other income			
Gains on disposal of assets		850	-
Interest received		294 549	311 519
		295 399	311 519
Expenditure			
Administration and management fees		242 749	109 201
Advertising campaign		405 959	-
Annual general meeting and report		52 236	10 678
Awards and incentives beneficiaries		617 093	1 016 111
Bank charges		19 203	13 596
Candle project		-	2 755
Catering and refreshments		278 897	45 845
Conference and seminars		92 741	32 017
Consulting and facilitation fees		969 185	91 863
Depreciation, amortisation and impairments		35 835	-
Education and training beneficiaries		217 634	73 332
Equipment		52 439	-
General expenses		54 119	99 427
Insurance		3 146	-
Organisational development		44 618	39 500
Printing and stationery		66 430	51 358
Professional fees		33 156	-
Repairs and maintenance - Equipment		1 312	-
Research		253 599	25 315
Resources and workshop materials		445 294	-
Salaries and wages		2 252 461	1 298 227
Staff and volunteer welfare		12 990	-
Subscriptions		21 150	-
Telecommunications		61 759	30 650
Training and development - Staff		10 403	-
Travel and accomodation		591 787	103 982
Venue hire		1 996	-
Volunteer stipend		12 650	32 475
		6 850 841	3 076 332
Operating (deficit)/surplus		(309 988)	245 916
Finance costs		(3 634)	-
(Deficit)/Surplus before taxation		(313 622)	245 916
Taxation	10	-	-
(Deficit)/Surplus for the year before transfers		(313 622)	245 916
Transfers from / (to) special funds		-	(200 000)
Surplus for the year after transfers		(313 622)	45 916

Child Accident Prevention Foundation of Southern Africa Annual Financial Statements for the year ended 31 March 2019

Accounting Policies

1. Basis of Preparation

The annual financial statements have been prepared under the historical cost basis.

Revenue and expenditure are reported on the accrual basis of accounting. The accrual basis of accounting recognises revenue as they are earned and are measurable. Expenditure are cost of goods and services acquired in the period whether or not payment has been made or invoices issued.

These accounting policies are consistent with the previous period.

1.1 Fixed assets

The cost of an item of fixed assets is recognised as an asset when:

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

Costs include costs incurred initially to acquire or construct an item of fixed assets and costs incurred subsequently to add to, replace part of, or service it.

Fixed assets is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on a straight-line basis.

Item	Average useful life in years
Office equipment	5 years
Computer equipment	3 years

1.2 Financial instruments

Financial instruments carried on the balance sheet include cash, accounts receivable and accounts payable. These instruments are generally carried at their estimated fair value.

Revenue recognition

The organisation is a non-profit organisation, therefore revenue, consists of donations and other income received on a cash basis.

Deferred income

Income is not recognised until there is absolute assurance that the foundation will comply with the conditions attached to the receipt of such income. The receipt of income does not in itself provide conclusive evidence that the conditions attached to the income have been or will be fulfilled. Where there is a condition attached to the receipt of the funds, the income will be deferred to the next financial year.

Reserves and funds

Certain amounts are received pursuant to regulation or agreement and may only be used in the conduct of certain programs/ events or in the delivery of specific services and transactions. Furthermore, certain amounts are set aside for future operating and capital purposes. Transfers to and/ or from and or/from between funds are an adjustment to the respective fund/reserve when approved.

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Notes to the Annual Financial Statements

Figures in Rand **2019** **2018**

2. Fixed assets

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	88 131	(34 028)	54 103	28 026	(6 976)	21 050
Furniture and fittings	43 920	(8 784)	35 136	-	-	-
Office equipment	16 082	(16 079)	3	16 082	(16 079)	3
Total	148 133	(58 891)	89 242	44 108	(23 055)	21 053

Reconciliation of fixed assets - 2019

	Opening Balance	Additions	Depreciation	Total
Computer equipment	21 050	60 104	(27 051)	54 103
Furniture and fittings	-	43 920	(8 784)	35 136
Office equipment	3	-	-	3
	21 053	104 024	(35 835)	89 242

Reconciliation of fixed assets - 2018

	Opening Balance	Additions	Total
Computer equipment	1	21 049	21 050
Office equipment	3	-	3
	4	21 049	21 053

3. Trade and other receivables

Value-added taxation	167 856	8 963
Other receivable	82 062	850
	249 918	9 813

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 155	8 446
Bank balances	11 378	21 107
Term deposits	4 163 671	4 573 353
	4 178 204	4 602 906

5. Sustainability fund

Opening balance	1 000 000	-
Transfer from accumulated funds	-	800 000
Transfer from current year surplus	-	200 000
	1 000 000	1 000 000

**Child Accident Prevention Foundation of Southern Africa
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Notes to the Annual Financial Statements

Figures in Rand	2019	2018
6. Accumulated funds		
Balance at the beginning of the year	690 477	1 444 561
Transfer to sustainability fund	-	(800 000)
(Deficit)/Surplus for the year after transfers	(313 622)	45 916
	<u>376 855</u>	<u>690 477</u>
7. Trade and other payables		
Other payables	182 512	48 853
	<u>182 512</u>	<u>48 853</u>
8. Deferred income		
Discovery Health	662 047	134 428
FIA Foundation / Iveco	140 648	77 071
Oxford University	40 356	-
Safe Kids	1 351 300	1 354 787
Unicef	284 789	566 657
Woolworths	478 859	761 500
	<u>2 957 999</u>	<u>2 894 442</u>
9. Donations and other income		
Donations and grants realised	6 245 454	3 010 729
	<u>6 245 454</u>	<u>3 010 729</u>
Summary of donations and grants realised for the year:		
Total grants and donations received during the year	6 262 748	4 163 460
Total grants and donations realised during the year and from prior years	2 940 705	1 741 711
Less: Deferred income	(2 957 999)	(2 894 442)
	<u>6 245 454</u>	<u>3 010 729</u>
10. Taxation		

The foundation is registered as a Public Benefit Organisation. Its receipts and accruals derived from trading activities fall within the prescribed parameters as contained in Section 10(1)(cN) of the Income Tax Act of South Africa. Accordingly, no provision for taxation has been made as all receipts and accruals are exempt from taxation.