

**StreetSmart Homeless Children's Charity South Africa**  
**(Association incorporated under section 21)**  
Annual financial statements  
for the year ended 31 December 2010

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Conduit fundraising organisation that distributes funds to existing charities working with street children
<b>Directors</b>	M A Biggs M A Burke A M D Cockburn R N E Heckscher L M Hersch S Huxter L Mkumatela
<b>Registered office</b>	301 MSK House Ilanga Travel Cnr Buitengracht & Riebeeck Street 8001
<b>Business address</b>	301 MSK House Ilanga Travel Cnr Buitengracht & Riebeeck Street 8001
<b>Postal address</b>	P O Box 49 Greenpoint 8051
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Grant Thornton Cape Incorporated Chartered Accountants (S.A.) Registered Auditors A South African member of Grant Thornton International Ltd
<b>Secretary</b>	M A Burke
<b>Company registration number</b>	2004/036117/08 (NPO 51-449)

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

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

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## Report of the Independent Auditors

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To the members of StreetSmart Homeless Children's Charity South Africa

We have audited the accompanying annual financial statements of StreetSmart Homeless Children's Charity South Africa, which comprise the directors' report, the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 13.

### Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa as amended. 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.

### Auditors' 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' 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 the directors, 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 audit opinion.

### Qualification

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

## Report of the Independent Auditors

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### Qualified Opinion

In our opinion, except for the effects of the matters described in the preceding paragraph, the annual financial statements present fairly, in all material respects the financial position of company as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

  
Grant Thornton Cape Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors

Per: I Hashim  
Chartered Accountant (S.A.)  
Registered Auditor

28 April 2011

Cape Town

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Directors' Responsibilities and Approval

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The directors are required in terms of the Companies Act of South Africa as amended 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 company 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

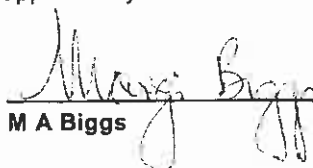
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

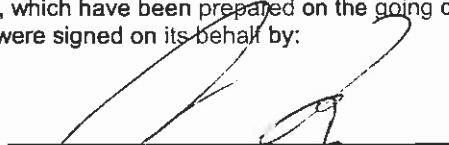
The directors have reviewed the company's cash flow forecast for the year to 31 December 2011 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The board of directors are responsible for the financial affairs of the company.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board of directors on 28 April 2011 and were signed on its behalf by:

  
\_\_\_\_\_  
M A Biggs

  
\_\_\_\_\_  
R N E Heckscher

Cape Town

28 April 2011

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Directors' Report

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The directors submit their report for the year ended 31 December 2010.

### 1. Incorporation

The company was incorporated on 20 December 2004 and obtained its certificate to commence business on the same day.

### 2. Review of activities

#### Main business and operations

The company is a conduit fundraising organisation that distributes funds to existing charities working with street children and operates in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

### 3. Surplus

R 975 137 of the total surplus at 31 December 2010 relates to funds that have been received from restaurant patrons and private donors that will be distributed in full to StreetSmart Homeless Children's Charity South Africa's official beneficiaries in terms of their constitution.

### 4. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

### 5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
M A Biggs	South African	
M A Burke	South African	
A M D Cockburn	South African	
C Drummond	South African	Resigned 06 April 2010
R N E Heckscher	German	
L M Hersch	South African	
S Huxter	South African	Appointed 15 April 2010
H C de Jongh	South African	Resigned 13 February 2010
L Mkumatela	South African	Appointed 14 December 2010

### 6. Secretary

The secretary of the company is M A Burke.

### 7. Auditors

Grant Thornton Cape Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Statement of Financial Position

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2010</b>	<b>2009</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	1 320 716	613 250
<b>Total Assets</b>		<b>1 320 716</b>	<b>613 250</b>
<b>Funds</b>			
<b>Reserves</b>			
Surplus		1 320 716	613 250
<b>Total Funds</b>		<b>1 320 716</b>	<b>613 250</b>

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2010	2009
Donations received		1 299 024	980 187
Operating expenses		(335 192)	(159 188)
Distributions to charities		(300 000)	(500 000)
<b>Operating surplus</b>		<b>663 832</b>	<b>320 999</b>
Investment revenue		43 633	32 608
<b>Surplus for the year</b>		<b>707 465</b>	<b>353 607</b>

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Statement of Changes in Equity

<b>Figures in Rand</b>	<b>Surplus</b>	<b>Total surplus</b>
<b>Balance at 01 January 2009</b>	<b>259 643</b>	<b>259 643</b>
Changes in surplus		
Total surplus for the year	353 607	353 607
Total changes	353 607	353 607
<b>Balance at 01 January 2010</b>	<b>613 250</b>	<b>613 250</b>
Changes in surplus		
Total surplus for the year	707 465	707 465
Total changes	707 465	707 465
<b>Balance at 31 December 2010</b>	<b>1 320 715</b>	<b>1 320 715</b>

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Statement of Cash Flows

Figures in Rand	Note(s)	2010	2009
<b>Cash flows from operating activities</b>			
Cash generated from operations	6	663 832	320 999
Interest income		43 633	32 608
<b>Net cash from operating activities</b>		<b>707 465</b>	<b>353 607</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		613 250	259 643
<b>Total cash at end of the year</b>	3	<b>1 320 715</b>	<b>613 250</b>

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Financial instruments

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, all of which is available for use by the company unless otherwise stated.

#### 1.2 Revenue

Revenue comprises of donations received and interest earned.

Donations are recognised on the receipt thereof.

Interest is recognised, in profit or loss, using the effective interest rate method.

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Notes to the Annual Financial Statements

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Figures in Rand	2010	2009
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### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations not yet effective or relevant

Certain standards and interpretations became effective for the periods beginning on or after 01 January 2010. In addition, there are also standards and interpretations that become effective for periods beginning on or after 01 January 2011.

The impact of these standards is not relevant and not material to the fair presentation of the financial statements and as a consequence, none of these standards and interpretations are detailed here.

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 320 055	612 240
Cash on hand	661	1 010
	<u>1 320 716</u>	<u>613 250</u>

### 4. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2010

	Available-for-sale	Total
Cash and cash equivalents	<u>1 320 716</u>	<u>1 320 716</u>

#### 2009

	Available-for-sale	Total
Cash and cash equivalents	<u>613 250</u>	<u>613 250</u>

### 5. Surplus

R 975 137 of the total surplus at 31 December 2010 relates to funds that have been received from restaurant patrons and private donors that will be distributed in full to StreetSmart Homeless Children's Charity South Africa's official beneficiaries in terms of their constitution.

### 6. Cash generated from operations

Profit before taxation	707 465	353 607
Adjustments for:		
Interest received	(43 633)	(32 608)
	<u>663 832</u>	<u>320 999</u>

### 7. Taxation

Provision is not made for taxation as the organisation is exempt from taxation in terms of section 10(1)(cN) of The Income Tax Act.

# StreetSmart Homeless Children's Charity South Africa

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Annual Financial Statements for the year ended 31 December 2010

## Notes to the Annual Financial Statements

Figures in Rand	2010	2009
<b>8. Risk management</b>		
<b>Liquidity risk</b>		
Prudent liquidity risk management implies maintaining sufficient cash to pay obligations when due.		
The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments. This is evidenced by the liquid resources on hand at year end.		
<b>Interest rate risk</b>		
The company's interest rate risk arises from investments in interest bearing instruments.		
At 31 December 2010, if interest rates on Rand-denominated investments had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R 13 207 (2009: R 6 132) higher/lower, mainly as a result of higher/lower interest income on floating rate investments.		
<b>Credit risk</b>		
Credit risk consists mainly of cash deposits. The company only deposits cash with major banks with high quality credit standing.		
Financial assets exposed to credit risk at year end were as follows:		
Nedbank Limited	1 320 716	613 250

# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 51-449))

Annual Financial Statements for the year ended 31 December 2010

## Detailed Income Statement

Figures in Rand	Note(s)	2010	2009
Donations received		1 299 024	980 187
Investment revenue		43 633	32 608
		<b>1 342 657</b>	<b>1 012 795</b>
<b>Operating expenses</b>			
Advertising		(81 681)	(224)
Computer expenses		(12 477)	(239)
Distributions		(300 000)	(500 000)
Employee costs		(196 600)	(145 300)
General expense		(4 555)	(2 455)
Petrol and oil		-	(3 803)
Postage		(1 103)	(729)
Printing and stationery		(22 810)	(1 642)
Refund - On a Plate		(8 217)	-
Telephone and fax		(7 749)	(4 796)
		<b>(635 192)</b>	<b>(659 188)</b>
<b>Surplus for the year</b>		<b>707 465</b>	<b>353 607</b>