

StreetSmart Homeless Children's Charity South Africa
(Association incorporated under section 21)
Annual Financial Statements
for the year ended 31 December 2011

StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 051-449))

Annual Financial Statements for the year ended 31 December 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Conduit fundraising organisation that distributes funds to existing charities working with street children
Directors	M A Biggs M A Burke A M D Cockburn R N E Heckscher L M Hersch S Huxter L Mkumatela
Registered office	411 MSK House Cnr Buitengracht & Riebeeck Street Cape Town 8001
Business address	411 MSK House Cnr Buitengracht & Riebeeck Street Cape Town 8001
Postal address	P O Box 49 Green Point 8051
Bankers	Nedbank Limited
Auditors	Grant Thornton Cape Incorporated Chartered Accountants (S.A.) Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Ltd
Secretary	M A Burke
Company registration number	2004/036117/08 (NPO 051-449)
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa as amended
Preparer	The annual financial statements were internally compiled by R Relief Administrator
Published	15 March 2012

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

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

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Report of the Independent Auditors

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 2011, 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. 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

Qualified Opinion

In our opinion, except for the effects of the matter described in the preceding paragraph, the annual financial statements present fairly, in all material respects the financial position of company as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Supplementary Information

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 Inc

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

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

15 March 2012

Cape Town

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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.

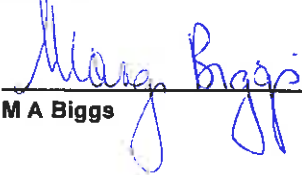
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

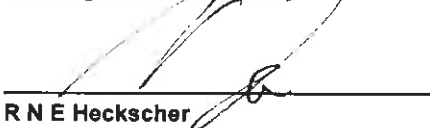
The directors have reviewed the company's cash flow forecast for the year to 31 December 2012 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 15 March 2012 and were signed on its behalf by:


M A Biggs


R N E Heckscher

Cape Town

15 March 2012

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Annual Financial Statements for the year ended 31 December 2011

Directors' Report

The directors submit their report for the year ended 31 December 2011.

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 282 962 of the total surplus at 31 December 2011 relates to funds that have been received from restaurant patrons and private donors that will be distributed in full in the first quarter of 2012 to StreetSmart Homeless Children's Charity South Africa's selected beneficiaries.

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
M A Biggs	South African
M A Burke	South African
A M D Cockburn	South African
R N E Heckscher	German
L M Hersch	South African
S Huxter	South African
L Mkumatela	South African

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 90 of the Companies Act.

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Annual Financial Statements for the year ended 31 December 2011

Statement of Financial Position

Figures In Rand	Note	2011	2010
Assets			
Current Assets			
Cash and cash equivalents	3	1 063 291	1 320 716
Total Assets		1 063 291	1 320 716
Funds			
Reserves			
Surplus		1 063 291	1 320 716
Total Funds		1 063 291	1 320 716

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Statement of Comprehensive Income

Figures in Rand	Note	2011	2010
Donations received		1 038 051	1 299 024
Operating expenses		(279 120)	(335 192)
Distributions to charities		(1 067 038)	(300 000)
Operating (loss)/surplus		(308 107)	663 832
Investment revenue	4	50 683	43 634
(Deficit)/Surplus for the year		(257 424)	707 466

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Statement of Changes in Equity

Figures In Rand	Surplus	Total surplus
Balance at 01 January 2010	613 251	613 251
Changes in surplus		
Total surplus for the year	707 466	707 466
Total changes	707 466	707 466
Balance at 01 January 2011	1 320 717	1 320 717
Changes in surplus		
Total deficit for the year	(257 424)	(257 424)
Total changes	(257 424)	(257 424)
Balance at 31 December 2011	1 063 293	1 063 293

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Statement of Cash Flows

Figures in Rand	Notes	2011	2010
Cash flows from operating activities			
Cash (used in)/generated by operations	5	(308 107)	663 832
Interest income		50 683	43 634
Net cash from operating activities		(257 424)	707 466
Total cash movement for the year			
Cash at the beginning of the year		1 320 716	613 250
Total cash at end of the year	3	1 063 292	1 320 716

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Annual Financial Statements for the year ended 31 December 2011

Accounting Policies

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.

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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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 1 January 2011. In addition, there are also standards and interpretations that become effective for periods beginning on or after 1 January 2012.

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	1 063 231	1 320 055
Cash on hand	60	660
	<hr/>	<hr/>
	1 063 291	1 320 715

4. Investment revenue

Interest revenue

Bank	50 682	43 633
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5. Cash used in operations

Loss before taxation	(257 424)	707 466
Adjustments for:		
Interest received	(50 683)	(43 634)
	<hr/>	<hr/>
	(308 107)	663 832

6. Surplus

R 282 962 of the total surplus at 31 December 2011 relates to funds that have been received from restaurant patrons and private donors that will be distributed in full in the first quarter of 2012 to StreetSmart Homeless Children's Charity South Africa's selected beneficiaries.

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.

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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8. Financial assets by category

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

2011

	Available-for-sale	Total
Cash and cash equivalents	1 063 291	1 063 291

2010

	Available-for-sale	Total
Cash and cash equivalents	1 320 715	1 320 715

9. Risk management

Liquidity risk

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.

Interest rate risk

The company's interest rate risk arises from investments in interest bearing instruments.

At 31 December 2011, 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 11 219 (2009: R 8 711) higher/lower, mainly as a result of higher/lower interest income on floating rate investments.

Credit risk

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	1 063 291	1 320 716
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Detailed Statement of Financial Performance

Figures in Rand		2011	2010
Donations received		1 038 051	1 299 024
Investment revenue	4	50 682	43 633
		1 088 733	1 342 657
Operating expenses			
Advertising		(965)	(81 681)
Computer expenses		(15 756)	(12 477)
Distributions		(1 067 038)	(300 000)
Employee costs		(201 400)	(196 600)
General expense		(21 522)	(4 555)
Lease rentals on operating lease		(9 238)	-
Postage		(4 582)	(1 103)
Printing and stationery		(17 347)	(22 810)
Refund - On a Plate		-	(8 217)
Telephone and fax		(8 310)	(7 749)
		(1 346 158)	(635 192)
(Deficit)/Surplus for the year		(257 425)	707 465