



STREETSMART

SOUTH AFRICA
HELPING STREET CHILDREN

SINCE 2005

StreetSmart Homeless Children's Charity South Africa NPC
(Registration number 2004/036117/08 (NPO 051-449))
Annual Financial Statements
for the year ended 31 December 2019

A2A Kopano Inc.
Chartered Accountants (S.A.)
Registered Auditor
Published 20 March 2020

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

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 | Melanie Aretha Burke (Chairman) Zaid Adams (Vice-Chairman) Rolf Nils Ernst Heckscher (Secretary) Caroline Alice Bagley Susan Maureen Birch Zuzile Africa Melane Euraeffie Bentsiwa Oppon Dhanalutchmee Janet Pillai Jennifer Lynne Stricker-Greeff Marion Thomas |
| Registered office | 3rd Floor, Deneb House Corner 368 Main and Browning Road Observatory 7925 |
| Business address | 3rd Floor, Deneb House Corner 368 Main and Browning Road Observatory 7925 |
| Postal address | P.O Box 49 Green Point 8051 |
| Bankers | Nedbank Limited |
| Auditors | A2A Kopano Inc. Chartered Accountants (S.A.) Registered Auditor |
| Secretary | Rolf Nils Ernst Heckscher |
| Company registration number | 2004/036117/08 (NPO 051-449) |
| Tax reference number | 9019683151 |
| Level of assurance | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | The annual financial statements were internally compiled by: Reinette Retief |
| Published | 20 March 2020 |

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Reinette Retief

Published

20 March 2020



KOPANO INCORPORATED

CHARTERED ACCOUNTANTS (S.A.)
& REGISTERED AUDITORS

021 551 1930
086 762 4316
Info.wc@a2akopano.co.za
236 Rosmead Avenue
Wynberg
7800
P.O. Box 532,
Century City, 7446

Independent Auditor's Report

To the directors of StreetSmart Homeless Children's Charity South Africa NPC

Opinion

We have audited the annual financial statements of StreetSmart Homeless Children's Charity South Africa NPC as set out on pages 8 to 14, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and 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, the annual financial statements present fairly, in all material respects, the financial position of StreetSmart Homeless Children's Charity South Africa NPC as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for 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 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 annual 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.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The 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 directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

IRBA. NO. 901944-0005 Co.Reg. No. 1998/014078/21

Directors Chairman KJ Sithole
Chief Executive Officer HAS Moosa
Chairman of Executive Committee MSA Paruk
List of Directors available at the registered office or national website.

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Offices in Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

Website www.a2akopano.co.za

Independent Auditor's Report

In preparing the annual financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company 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.

We communicate with the directors 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.



A2A Kopano Inc.
Moegamat Stenekamp
Director
Registered Auditor

20 March 2020

236 Rosmead Avenue
Wynberg
Cape Town
7800

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

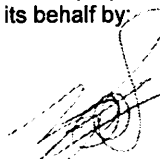
The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 8 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 20 March 2020 and were signed on its behalf by:

Approval of annual financial statements



Melanie Aretha Burke (Chairman)



Zaid Adams (Vice-Chairman)

Observatory, Cape Town

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of StreetSmart Homeless Children's Charity South Africa NPC for the year ended 31 December 2019.

1. Nature of business

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

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

| Directors | Changes |
|--|---------------------------|
| Melanie Aretha Burke (Chairman) | |
| Zaid Adams (Vice-Chairman) | Appointed 01 January 2019 |
| Rolf Nils Ernst Heckscher (Secretary) | |
| Caroline Alice Bagley | |
| Susan Maureen Birch | |
| Zuzile Africa Melane | Appointed 01 January 2019 |
| Euraeffie Bentsiwa Oppon | |
| Dhanalutchmee Janet Pillai | |
| Jennifer Lynne Stricker-Greeff | Appointed 01 January 2019 |
| Marion Thomas | |

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

A2A Kopano Inc. were appointed as auditors of the company for the year under review.

At the AGM, the board of directors will be requested to reappoint A2A Kopano Inc. as the independent external auditors of the company and to confirm Mr Moegamat Stenekamp as the designated lead audit partner for the 2020 financial year.

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

7. Secretary

The company secretary is Rolf Nils Ernst Heckscher.

Postal address

P O Box 49
Green Point
8051

StreetSmart Homeless Children's Charity South Africa NPC

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Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

| Figures in Rand | Notes | 2019 | 2018 |
|-------------------------------------|-------|----------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 2 | 935,975 | 1,303,979 |
| Total Assets | | 935,975 | 1,303,979 |
| Equity and Liabilities | | | |
| Equity | | | |
| Accumulated surplus | | 935,975 | 1,228,979 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 3 | - | 75,000 |
| Total Equity and Liabilities | | 935,975 | 1,303,979 |

StreetSmart Homeless Children's Charity South Africa NPC

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Annual Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

| Figures in Rand | Notes | 2019 | 2018 |
|-----------------------------|-------|------------------|------------------|
| Donations received | 4 | 1,312,354 | 1,591,450 |
| Operating expenses | | (1,708,314) | (2,331,925) |
| Operating deficit | 6 | (395,960) | (740,475) |
| Investment revenue | 5 | 102,956 | 155,927 |
| Deficit for the year | | (293,004) | (584,548) |

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

| Figures in Rand | Accumulated surplus |
|------------------------------------|---------------------|
| Balance at 01 January 2018 | 1,813,527 |
| Deficit for the year | (584,548) |
| Balance at 01 January 2019 | 1,228,979 |
| Deficit for the year | (293,004) |
| Balance at 31 December 2019 | 935,975 |

StreetSmart Homeless Children's Charity South Africa NPC

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Annual Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

| Figures in Rand | Notes | 2019 | 2018 |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash used in operations | 7 | (470,960) | (668,672) |
| Interest income | | 102,956 | 155,927 |
| Net cash from operating activities | | (368,004) | (512,745) |
| Total cash movement for the year | | (368,004) | (512,745) |
| Cash at the beginning of the year | | 1,303,979 | 1,816,724 |
| Total cash at end of the year | 2 | 935,975 | 1,303,979 |

StreetSmart Homeless Children's Charity South Africa NPC

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Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, 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

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 surplus or deficit) 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 surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

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, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.2 Tax

No provision has been made for tax as the organisation is exempt for tax in terms of section 10(1)(cN) of the Income Tax Act.

1.3 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

StreetSmart Homeless Children's Charity South Africa NPC

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Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
|--|------------------|------------------|
| 2. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 9,787 | 5,744 |
| Bank balances | 10,612 | 33,614 |
| Short-term deposits | 915,576 | 1,264,621 |
| | <u>935,975</u> | <u>1,303,979</u> |
| 3. Trade and other payables | | |
| Delayed distribution to Amy Foundation | - | 75,000 |
| | <u>-</u> | <u>75,000</u> |
| 4. Revenue | | |
| Donations received | 1,312,354 | 1,591,450 |
| | <u>1,312,354</u> | <u>1,591,450</u> |
| 5. Investment revenue | | |
| Interest revenue | | |
| Interest - Investments | 102,956 | 155,927 |
| | <u>102,956</u> | <u>155,927</u> |
| 6. Operating deficit | | |
| Operating deficit for the year is stated after accounting for the following: | | |
| Employee costs | 489,823 | 517,083 |
| | <u>489,823</u> | <u>517,083</u> |
| 7. Cash used in operations | | |
| Deficit before taxation | (293,004) | (584,548) |
| Adjustments for: | | |
| Interest received | (102,956) | (155,927) |
| Changes in working capital: | | |
| Trade and other receivables | - | 3,517 |
| Trade and other payables | (75,000) | 68,286 |
| | <u>(470,960)</u> | <u>(668,672)</u> |
| 8. Directors' remuneration | | |
| No emoluments were paid to the directors or any individuals holding a prescribed office during the year. | | |

StreetSmart Homeless Children's Charity South Africa NPC

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

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

| Figures in Rand | Notes | 2019 | 2018 |
|-----------------------------|-------|------------------|------------------|
| Revenue | | | |
| Donations received | | 1,312,354 | 1,591,450 |
| Operating expenses | | | |
| Administration fees | | 6,325 | - |
| Advertising | | 103,827 | 28,626 |
| Bank charges | | 6,042 | 5,438 |
| Catering | | 3,317 | 2,591 |
| Distributions to charities | | 1,035,000 | 1,695,000 |
| Donor refunds | | - | 6,710 |
| Employee costs | | 489,823 | 517,083 |
| Fundraising expenses | | 4,153 | - |
| Furniture and fittings | | 788 | 11,179 |
| General expenses | | - | 12,119 |
| Postage | | 876 | 1,152 |
| Printing and stationery | | 26,238 | 13,555 |
| Repairs and maintenance | | 1,244 | - |
| Restaurant recruitment | | - | 10,937 |
| Secretarial fees | | 600 | - |
| Staff welfare | | 2,225 | - |
| Subscriptions | | 450 | - |
| Telephone and fax | | 13,958 | 15,054 |
| Travel - local | | 13,448 | 12,481 |
| | | 1,708,314 | 2,331,925 |
| Operating deficit | 6 | (395,960) | (740,475) |
| Investment income | | 102,956 | 155,927 |
| Deficit for the year | | (293,004) | (584,548) |