



**Grant Thornton**

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**StreetSmart Homeless Children's Charity South Africa  
(Association incorporated under section 21)**

Annual Financial Statements  
for the year ended 31 December 2014

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## 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>	B J Bordiss M A Burke A M D Cockburn R N E Heckscher L M Hersch S T Mzanywa
<b>Registered office</b>	411 MSK House Cnr Buitengracht & Riebeeck Street Cape Town 8001
<b>Business address</b>	411 MSK House Cnr Buitengracht & Riebeeck Street Cape Town 8001
<b>Postal address</b>	P O Box 49 Green Point 8051
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Grant Thornton Cape Incorporated Chartered Accountants (S.A.) Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Ltd
<b>Secretary</b>	M A Burke
<b>Company registration number</b>	2004/036117/08 (NPO 051-449)
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The annual financial statements were independently compiled by: I Hashim Chartered Accountant (S.A.) Registered Auditor
<b>Published</b>	13 March 2015

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

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# StreetSmart Homeless Children's Charity South Africa

(Registration number 2004/036117/08 (NPO 051-449))  
Annual Financial Statements for the year ended 31 December 2014

## Directors' Responsibilities and Approval

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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 judgments 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 2015 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 5 to 6.

The annual financial statements set out on pages 4 to 14, which have been prepared on the going concern basis, were approved by the board of directors on 13 March 2015 and were signed on its behalf by:

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

  
\_\_\_\_\_  
M A Burke

Cape Town  
13 March 2015

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Directors' Report

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The directors submit their report for the year ended 31 December 2014.

### 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 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

As at 31 December 2014, total surplus of R 80 465 which relates to funds received from restaurant patrons will be distributed in the next financial year to the selected beneficiaries of StreetSmart Homeless Children's Charity South Africa.

### 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:

<b>Name</b>	<b>Nationality</b>
B J Bordiss	South African
M A Burke	South African
A M D Cockburn	South African
R N E Heckscher	German
L M Hersch	South African
S T Mzanywa	South African

### 6. Secretary

The secretary of the company is M A Burke.

### 7. Auditors

Grant Thornton Cape Incorporated will continue in office.



# Grant Thornton

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Chartered Accountants (SA)

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## Independent Auditors' Report

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

We have audited the financial statements of StreetSmart Homeless Children's Charity South Africa, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 13.

### Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

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 collections and bequests in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Partners  
M.H. Abbas  
M. J. Betts  
K.M. Bowman  
S. F. Cillie  
J.G. Glass  
M. Hanekom  
I. Hashim  
D. Honeyball  
B. Jackson  
H.C. Kilian  
B.J. Lodewyk  
F. Mohamed  
J. M. Nield  
H.J. Salmon  
I.M. Scott (Managing)  
N. I. Strybis  
B. van der Wall  
Y. Weaver-Sasman  
M.S. Willmott

Audit · Tax · Advisory

Grant Thornton Cape is a member of Grant Thornton South Africa which in turn is a member of Grant Thornton International Ltd.

## Independent Auditors' Report

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### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of StreetSmart Homeless Children's Charity South Africa as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

### Supplementary information

Without qualifying our opinion, we draw attention to the fact that 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.

### Other Reports Required by the Companies Act

As part of our audit of the annual financial statements for the period ended 31 December 2014, we have read the Directors' Report for the purpose of identifying whether there are any material inconsistencies between the Directors' Report and the audited financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited this report 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**

**13 March 2015**

**Cape Town**

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Statement of Financial Position

Figures in Rand	Notes	2014	2013
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	1 345 779	1 256 581
<b>Total Assets</b>		<b>1 345 779</b>	<b>1 256 581</b>
<b>Funds</b>			
Surplus		1 337 046	1 256 581
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	8 733	-
<b>Total Equity and Liabilities</b>		<b>1 345 779</b>	<b>1 256 581</b>

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Statement of Comprehensive Income

<b>Figures in Rand</b>	<b>Note</b>	<b>2014</b>	<b>2013</b>
Donations received		1 601 856	1 575 138
Operating expenses		(657 175)	(460 190)
Distributions to charities		(955 000)	(907 700)
<b>Operating (loss)/surplus</b>		<b>(10 319)</b>	<b>207 248</b>
Investment revenue	7	90 784	65 772
<b>Surplus for the year</b>		<b>80 465</b>	<b>273 020</b>

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Statement of Changes in Equity

<b>Figures in Rand</b>	<b>Surplus</b>	<b>Total equity</b>
<b>Balance at 01 January 2013</b>	<b>983 561</b>	<b>983 561</b>
Changes in surplus	273 020	273 020
Total surplus for the year	<u>273 020</u>	<u>273 020</u>
Total changes	<b>1 256 581</b>	<b>1 256 581</b>
<b>Balance at 01 January 2014</b>		
Changes in surplus	80 465	80 465
Total surplus for the year	<u>80 465</u>	<u>80 465</u>
Total changes	<b>1 337 046</b>	<b>1 337 046</b>
<b>Balance at 31 December 2014</b>		

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Statement of Cash Flows

Figures in Rand	Notes	2014	2013
<b>Cash flows from operating activities</b>			
Cash (used in)/generated by operations	9	(1 586)	207 248
Interest income		90 784	65 772
<b>Net cash from operating activities</b>		<b>89 198</b>	<b>273 020</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		1 256 581	983 561
<b>Total cash at end of the year</b>	3	<b>1 345 779</b>	<b>1 256 581</b>

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## 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 051-449))

Annual Financial Statements for the year ended 31 December 2014

## Notes to the Annual Financial Statements

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### 2. New Standards and Interpretations

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

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

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2015 or later periods but are not relevant to its operations:

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:

Cash on hand	7 464	251
Bank balances	1 338 315	1 256 330
	<b>1 345 779</b>	<b>1 256 581</b>

### 4. Trade and other payables

Employee taxes	8 731	-
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### 5. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial assets in each category are as follows:

#### 2014

	Loans and receivables	Total
Cash and cash equivalents	1 345 779	1 345 779

#### 2013

	Loans and receivables	Total
Cash and cash equivalents	1 345 779	1 345 779

### 6. Financial liabilities by category

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

#### 2014

	Financial liabilities at amortised cost	Total
Trade and other payables	8 731	8 731

# StreetSmart Homeless Children's Charity South Africa

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Annual Financial Statements for the year ended 31 December 2014

## Notes to the Annual Financial Statements

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### 7. Investment revenue

#### Interest revenue

Bank	90 784	65 772
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### 8. Taxation

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

### 9. Cash used in operations

Surplus before taxation	80 465	273 020
<b>Adjustments for:</b>		
Interest received	(90 784)	(65 772)
<b>Changes in working capital:</b>		
Trade and other payables	8 733	-
	<b>(1 586)</b>	<b>207 248</b>

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### 10. 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 and credit facilities.

#### Interest rate risk

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

At 31 December 2014, 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 R12 682 (2013: R 11 201) lower/higher, 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:

	2014	2013
Nedbank Limited	1 338 315	1 256 330

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# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2014

## Detailed Statement of Comprehensive Income

Figures in Rand	2014	2013
Investment revenue	90 784	65 772
Donations received	1 601 856	1 575 138
	<b>1 692 640</b>	<b>1 640 910</b>
<b>Operating expenses</b>		
Administration and management fees	(37 549)	-
Advertising	(143 282)	(9 944)
Bank charges	(4 957)	(5 403)
Computer expenses	(30 212)	(2 546)
Project co-ordination	(276 702)	(230 365)
Distributions	(955 000)	(907 700)
General expense	(64 987)	(130 324)
Restaurant recruitment	-	(23 968)
Lease rentals on operating lease	(18 429)	(17 517)
Petrol and oil	(12 579)	-
Postage	(556)	(616)
Printing and stationery	(53 152)	(25 423)
Telephone and fax	(14 770)	(14 084)
	<b>(1 612 175)</b>	<b>(1 367 890)</b>
<b>Surplus for the year</b>	<b>80 465</b>	<b>273 020</b>