

**Peaceplayers International - South Africa  
(PBO 930023713)  
(Registration number 024-786-NPO)  
Annual Financial Statements  
for the year ended 30 June 2019**

# Peaceplayers International - South Africa

(Registration number 024-786-NPO)

Annual Financial Statements for the year ended 30 June 2019

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To use basketball and life skills education to bridge socio-economic, cultural and racial divides among youth from diverse South African communities and develop youth leadership
<b>Registered office</b>	Kuene & Nagel House Port Natal Lodge 738 381 King Dinizulu Road Durban 4001
<b>Auditor's</b>	Apex Chartered Accountants Inc.
<b>Registration number</b>	024-786-NPO
<b>Preparer</b>	The annual financial statements were independently compiled by: VRM Accounting Services Inc.

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

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

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# Peaceplayers International - South Africa

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## Managements' Responsibilities and Approval

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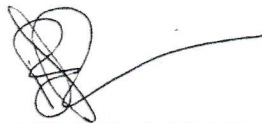
The management is responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of the annual financial statements and related information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standard as to form and content in the presentation of the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are 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 management to meet these responsibilities, the management committee sets standard 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations 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.

Management 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 going concern basis has been adopted in preparing the financial statement. Based on forecasts and available cash resources, management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation. The annual financial statements set out on pages 6 to 14, were approved by the management board and have been signed on their behalf by:

### Approval of financial statements



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R. Mizrachi - Chairperson



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P. Naynah - Treasurer

# Independent Auditor's report

## To the Board of Management of Peaceplayers International – South Africa

### Report on the Financial Statements

We have audited the financial statements of Peaceplayers International – South Africa, which comprise the statement of financial position as at 30 June 2019, 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 information.

### Board of Management's Responsibility for the Financial Statements

The Board of Management are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

### Auditor's 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.

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

### **Basis of Qualified Opinion**

In common with similar organisations, it is not feasible for the Organisation to institute internal controls for the accounting of donations and other sources of income prior to initial entry of collection. Accordingly, it was impractical for us to extend our examination of accounting records beyond the receipts actually recorded.

### **Emphasis of Matter**

In our opinion, except for possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to donations and other sources of income, the financial statements present fairly, in all material respects, the financial position of Peaceplayers International – South Africa as 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Disclosure of going concern**

We draw attention to the Board of Management's responsibility and approval statement. Continuation of the Organisation is dependent upon adequate collections of donations and funding. The financial statements have been prepared on the going concern basis, which assumes the adequate donations and funds will be obtained in the future. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary if the Organisation is unable to continue as a going concern.



**Apex Chartered Accountants Incorporated**

**Registered Auditor**

**06 November 2019**

**Durban**

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Managements' Report

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The management committee submit their report for the year ended 30 June 2019.

### 1. Review of activities

#### Main business and operations

The principal activity of the organisation is to use basketball and life skills education to bridge socio-economic and cultural, racial divides among youth from diverse South African communities and develop youth leadership and there were no major changes herein during the year.

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

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after the reporting period

The management committee are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### 4. Management

The management committee of the organisation during the year and to the date of this report are as follows:

#### Name

R Mizrachi Chairperson - Appointed as Board Member and Chairperson

P. Naynah - Treasurer - Appointed as Board member and Treasurer

S Mnguni - Secretary - Appointed as Board Member and Secretary

L Sithole - Appointed as Board Member from 18 September 2018

N Khafu- Executive Director

G Pillay - Board Member

### 5. Auditor's

Apex Chartered Accountants Inc. were the independent auditors for the year under review.

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Statement of Financial Position as at 30 June 2019

		2019 R	2018 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	261 128	348 235
<b>Current Assets</b>			
Trade and other receivables		-	30 000
Cash and cash equivalents	3	296 947	51 677
		<b>296 947</b>	<b>81 677</b>
<b>Total Assets</b>		<b>558 075</b>	<b>429 912</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Revaluation surplus		50 000	50 000
Retained income		477 352	366 509
		<b>527 352</b>	<b>416 509</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	30 723	13 403
<b>Total Reserves and Liabilities</b>		<b>558 075</b>	<b>429 912</b>



# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Statement of Comprehensive Income

		2019 R	2018 R
<b>Income</b>	1.2&5	<b>2 112 273</b>	<b>1 958 289</b>
<b>Operating expenditure</b>	6	<b>(338 258)</b>	<b>(290 156)</b>
<b>Gross surplus</b>		<b>1 774 015</b>	<b>1 668 133</b>
<b>Other income</b>	7	<b>32 403</b>	<b>155 428</b>
<b>Administration expenditure</b>			
Accounting fees		9 775	-
Auditors remuneration		14 375	27 393
Bank charges		20 747	22 092
Consulting fees		56 676	19 011
Depreciation, amortisation and impairments		87 107	58 655
Employee costs		1 274 878	1 202 694
Insurance		44 111	38 111
Lease rentals		129 587	185 695
Printing and stationery		11 145	27 437
Repairs and maintenance		-	20 339
Subscriptions		2 643	2 619
Telephone and fax		44 531	46 708
		<b>1 695 575</b>	<b>1 650 754</b>
<b>Surplus for the year</b>		<b>110 843</b>	<b>172 807</b>

## Peaceplayers International - South Africa

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### Statement of Changes in Equity

	Revaluation surplus R	Retained income R	Total equity R
<b>Balance at 01 July 2017</b>	<b>50 000</b>	<b>193 702</b>	<b>243 702</b>
<b>Profit for the year</b>	<b>-</b>	<b>172 807</b>	<b>172 807</b>
<b>Balance at 01 July 2018</b>	<b>50 000</b>	<b>366 509</b>	<b>416 509</b>
<b>Profit for the year</b>	<b>-</b>	<b>110 843</b>	<b>110 843</b>
<b>Balance at 30 June 2019</b>	<b>50 000</b>	<b>477 352</b>	<b>527 352</b>

## Peaceplayers International - South Africa

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### Statement of Cash Flows

		2019	2018
		R	R
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	245 270	225 488
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(322 178)
<b>Total cash movement for the year</b>		<b>245 270</b>	<b>(96 690)</b>
Cash at the beginning of the year		51 677	148 367
<b>Total cash at end of the year</b>		<b>296 947</b>	<b>51 677</b>

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities issued by the International Accounting Standards Board as set out below. The annual financial statements have been prepared on the historical cost basis and are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 General Information

Peaceplayers International - South Africa is a non-profit organisation.

#### 1.2 Income

Income is measured at the fair value of the consideration received or receivable in the ordinary course of the organisation's activities, excluding sales taxes and discounts. The amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation.

Donation is recognised as revenue when the right to receive payment is established and is shown as "Income"

#### 1.3 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

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Item	Depreciation method	Average useful life
Property, plant and equipment	Straight line	10%
Motor vehicles	Straight line	20%
Furniture and fixtures	Straight line	16.67%
IT equipment	Straight line	33.33%
Computer software	Straight line	33.33%

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

#### 1.4 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 profit or loss) 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.

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

### 1.6 Provisions and contingencies

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

### 1.7 Income Tax

The organisation has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

The public benefit organisation has been approved for the purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act.

# Peaceplayers International - South Africa

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Annual Financial Statements for the year ended 30 June 2019

## Notes to the Annual Financial Statements

	2019 R	2018 R
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### 2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	290 000	(107 551)	182 449	290 000	(49 551)	240 449
Furniture and fixtures	105 457	(35 919)	69 538	105 457	(18 339)	87 118
IT equipment	34 584	(25 443)	9 141	34 584	(13 916)	20 668
<b>Total</b>	<b>430 041</b>	<b>(168 913)</b>	<b>261 128</b>	<b>430 041</b>	<b>(81 806)</b>	<b>348 235</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Total
Motor vehicles	240 449	(58 000)	182 449
Furniture and fixtures	87 118	(17 580)	69 538
IT equipment	20 668	(11 527)	9 141
	<b>348 235</b>	<b>(87 107)</b>	<b>261 128</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Motor vehicles	50 000	220 000	(29 551)	240 449
Furniture and fixtures	2 517	102 178	(17 577)	87 118
IT equipment	32 195	-	(11 527)	20 668
	<b>84 712</b>	<b>322 178</b>	<b>(58 655)</b>	<b>348 235</b>

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	296 947	51 677
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### 4. Trade and other payables

Trade payables	4 874	3 629
Provision	24 150	9 776
Deposits received	1 699	-
	<b>30 723</b>	<b>13 405</b>

### 5. Revenue

Donation income	-	434 775
National Lottery commission	-	308 000
Laureus Sport for Good Foundation	-	254 500
Donation of assets	3 926	-
Coaching Program Fees	25 450	36 510
Federal Grant	2 082 897	924 504
	<b>2 112 273</b>	<b>1 958 289</b>

## Peaceplayers International - South Africa

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### Notes to the Annual Financial Statements

	2019 R	2018 R
<b>6. Operating Expenditure</b>		
Sporting Uniforms	10 418	41 876
Sports Equipment	23 286	33 599
Sports Events and Refreshments	153 959	88 228
Training	18 671	13 659
Travel - Events Taxis	127 998	112 794
Donated Materials	3 926	-
	<b>338 258</b>	<b>290 156</b>
<b>7. Other income</b>		
ETI Income	29 775	53 250
Asset received from donor	-	102 178
Special events	2 600	-
Interest received	28	-
	<b>32 403</b>	<b>155 428</b>
<b>8. Cash generated from operations</b>		
Profit before taxation	110 843	172 807
<b>Adjustments for:</b>		
Depreciation and amortisation	87 107	58 655
<b>Changes in working capital:</b>		
Trade and other receivables	30 000	4 623
Trade and other payables	17 320	(10 597)
	<b>245 270</b>	<b>225 488</b>