

**Peaceplayers International - South Africa
(PBO 930023713)
(Registration number 024-786-NPO)
Annual Financial Statements
for the year ended 30 June 2018**

Peaceplayers International - South Africa

(Registration number 024-786-NPO)

Annual Financial Statements for the year ended 30 June 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	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
Registered office	Kuene & Nagel House Fort Natal Lodge 738 381 King Dinizulu Road Durban 4001
Auditor's	Apex Chartered Accountants Inc.
Registration number	024-786-NPO
Preparer	The annual financial statements were independently compiled by: VRM Accounting Services Inc.

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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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Managements' Responsibilities and Approval

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 standards 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 5 to 13, were approved by the management board and have been signed on their behalf by:

Approval of financial statements



H Gabriel - Chairperson



R Dawie - Acting 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 2018, 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

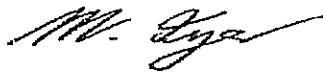
In common with similar organisations, it is not feasible for the Organisation to institute internal controls for the accounting of donations and other sources of income prior to initial entry of collection. Accordingly, it was impractical for us to extend our examination of accounting records beyond 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 2018, 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

26 October 2018

Durban

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Managements' Report

The management committee submit their report for the year ended 30 June 2018.

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 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	Changes
R. Douwse - Acting Treasurer	Appointed 25 November 2017
M. Gabriel - Chairperson & Board Member	Appointed 25 November 2017
R. Mizrahi - Board Member & Secretary	Appointed 25 November 2017
N. Zondi - Board Member & Chairperson	Term ended 25 November 2017
LE Mtshali - Board member & Secretary	Term ended 25 November 2017
G. Pillay - Treasurer	Term ended 25 November 2017
N. Khafu - Executive director	
T. Zulu - Executive member	
G. Pillay - Board member	
N. Zondi - Board Member	

5. Auditor's

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

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Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Position as at 30 June 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	348,235	84,712
Current Assets			
Trade and other receivables		30,000	34,623
Cash and cash equivalents	3	51,677	148,367
		81,677	182,990
Total Assets		429,912	267,702
Reserves and Liabilities			
Reserves			
Revaluation surplus		50,000	50,000
Retained income		366,509	193,702
		416,509	243,702
Liabilities			
Current Liabilities			
Trade and other payables	4	13,403	24,000
Total Reserves and Liabilities		429,912	267,702

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Statement of Comprehensive Income

	Note(s)	2018 R	2017 R
Income	1.2&5	1,958,289	1,701,938
Operating expenditure	6	(290,156)	(238,517)
Gross surplus		1,668,133	1,463,421
Other income	7	155,428	62,119
Administration expenditure			
Auditors remuneration		27,393	21,950
Bank charges		22,092	18,527
Consulting fees		19,011	28,986
Depreciation, amortisation and impairments		58,655	21,269
Employee costs		1,202,694	979,048
Insurance		38,111	47,627
Lease rentals		185,695	202,256
Printing and stationery		27,437	16,457
Repairs and maintenance		20,339	43,180
Subscriptions		2,619	1,318
Telephone and fax		46,708	51,655
		1,650,754	1,432,273
Surplus for the year		172,807	93,267
Other comprehensive income		-	-
Total comprehensive income for the year		172,807	93,267

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Statement of Changes in Equity

	Revaluation surplus R	Retained income R	Total equity R
Balance at 01 July 2016	(70,000)	100,435	30,435
Profit for the year	-	93,267	93,267
Revaluation surplus	120,000	-	120,000
Total comprehensive income for the year	120,000	93,267	213,267
Balance at 01 July 2017	50,000	193,702	243,702
Profit for the year	-	172,807	172,807
Total comprehensive income for the year	-	172,807	172,807
Balance at 30 June 2018	50,000	366,509	416,509

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Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash generated from operations	8	225,488	81,048
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(322,178)	(34,584)
Sale of property, plant and equipment	2	-	51,667
Net cash from investing activities		(322,178)	17,083
Total cash movement for the year		(96,690)	98,131
Cash at the beginning of the year		148,367	50,236
Total cash at end of the year	3	51,677	148,367

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Accounting Policies

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:

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.

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Accounting Policies

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.

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Notes to the Annual Financial Statements

	2018	2017
	R	R

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	290,000	(49,551)	240,449	70,000	(20,000)	50,000
Furniture and fixtures	105,457	(18,339)	87,118	3,279	(762)	2,517
IT equipment	34,584	(13,916)	20,668	34,584	(2,389)	32,195
Total	430,041	(81,806)	348,235	107,863	(23,151)	84,712

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
	84,712	322,178	(58,655)	348,235

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Motor vehicles	120,000	-	(51,667)	(18,333)	50,000
Furniture and fixtures	3,064	-	-	(547)	2,517
IT equipment	-	34,584	-	(2,389)	32,195
	123,064	34,584	(51,667)	(21,269)	84,712

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	51,677	148,367
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4. Trade and other payables

Trade payables	3,627	-
Provision	9,776	24,000
	13,403	24,000

5. Revenue

Donation Income		
National Lottery commission	434,775	1,564,249
Laureus Sport for Good Foundation	308,000	-
Donation of assets	254,500	-
Coaching Program Fees	-	27,906
Federal Grant	36,510	50,400
	924,504	59,383
	1,958,289	1,701,938

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	2018 R	2017 R
6. Operating Expenditure		
Sporting Uniforms	41,876	52,616
Sports Equipment	33,599	34,359
Sports Events and Refreshments	88,228	35,619
Training	13,659	19,370
Travel - Events Taxis	112,794	96,553
	<u>290,156</u>	<u>238,517</u>
7. Other income		
ETI Income		
Asset received from donor	53,250	47,626
Profit on sale of asset	102,178	-
Sundry income	-	7,643
	-	6,850
	<u>155,428</u>	<u>62,119</u>
8. Cash generated from operations		
Profit before taxation	142,807	93,267
Adjustments for:		
Depreciation and amortisation	58,655	21,269
Changes in working capital:		
Trade and other receivables	34,623	6,179
Trade and other payables	(10,597)	(39,667)
	<u>225,488</u>	<u>81,048</u>

