

StreetSmart Homeless Children's Charity South Africa
(Association incorporated under section 21)
Annual Financial Statements
for the year ended 31 December 2016

StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2016

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	C A Bagley M A Biggs S M Birch B J Bordiss M A Burke A M D Cockburn R N E Heckscher L M Hersch S T Mzanywa D J Pillai M Thomas R Toefy
Registered office	3rd Floor, Deneb House Cnr 368 Main & Browning Road Observatory 7925
Business address	3rd Floor, Deneb House Cnr 368 Main & Browning Road Observatory 7925
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 Limited
Secretary	R N E Heckscher
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.
Preparer	The annual financial statements were independently compiled by: I Hashim Chartered Accountant (S.A.) Registered Auditor
Published	02 May 2017

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

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

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Independent Auditor's Report To the shareholders of StreetSmart Homeless Children's Charity South Africa

Opinion

We have audited the financial statements of StreetSmart Homeless Children's Charity South Africa set out on pages 5 to 13, which comprise the statement of financial position as at 31 December 2016, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of StreetSmart Homeless Children's Charity South Africa as at 31 December 2016, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on page 14 do not form part of the annual financial statements and are presented

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is

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

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

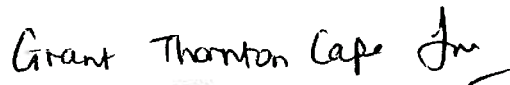
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.



GRANT THORNTON CAPE INC.
Chartered Accountants (SA)
Registered Auditors

Imtiaaz Hashim
Partner
Chartered Accountant (SA)
Registered Auditor

02 May 2017

StreetSmart Homeless Children's Charity South Africa

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Annual Financial Statements for the year ended 31 December 2016

Directors' Responsibilities and Approval

The directors are required in terms of 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 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 2017 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.

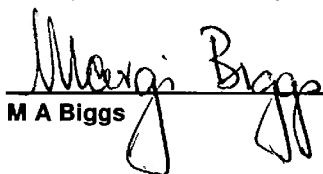
The board of directors are responsible for the financial affairs of the company.

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 7 to 14, which have been prepared on the going concern basis, were approved by the board of directors on 02 May 2017 and were signed on its behalf by:



M A Burke



M A Biggs

Cape Town

02 May 2017

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Directors' Report

The directors submit their report for the year ended 31 December 2016.

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

As at 31 December 2016, total surplus of R 323 285 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 that would have a material effect on the annual financial statements for the year ended 31 December 2016.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
C A Bagley	South African
M A Biggs	South African
S M Birch	South African
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
D J Pillai	South African
M Thomas	South African
R Toefy	South African

6. Secretary

The secretary of the company is R N E Heckscher.

7. Auditors

Grant Thornton Cape Incorporated will continue in office in accordance with section 90 of the Companies Act, 71 of 2008.

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Statement of Financial Position

Figures in Rand	Notes	2016	2015
Assets			
Current Assets			
Cash and cash equivalents	4	2 004 525	1 781 243
Equity and Liabilities			
Equity			
Retained income		2 004 525	1 681 240
Liabilities			
Current Liabilities			
Trade and other payables	5	-	100 003
Total Equity and Liabilities		2 004 525	1 781 243

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Statement of Comprehensive Income

Figures in Rand	Notes	2016	2015
Donations received		1 857 535	2 071 799
Operating expenses		(569 727)	(674 432)
Distribution to charities		(1 120 000)	(1 065 000)
Operating surplus / (loss)		167 808	332 367
Investment revenue	6	155 477	96 827
Surplus for the year		323 285	429 194

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Annual Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

Figures in Rand	Surplus	Total equity
Balance at 01 January 2015	1 252 046	1 252 046
Changes in equity		
Total comprehensive surplus for the year	429 194	429 194
Total changes	429 194	429 194
Balance at 01 January 2016	1 681 240	1 681 240
Changes in equity		
Total comprehensive surplus for the year	323 285	323 285
Total changes	323 285	323 285
Balance at 31 December 2016	2 004 525	2 004 525

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Annual Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

Figures in Rand	Notes	2016	2015
Cash flows from operating activities			
Cash generated from operations	8	67 807	338 637
Interest income		155 477	96 827
Net cash from operating activities		223 284	435 464
Total cash movement for the year			
Cash at the beginning of the year		1 781 243	1 345 779
Total cash at end of the year	4	2 004 527	1 781 243

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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, 71 of 2008. 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 and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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

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.

3. 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:

2016

	Loans and receivables	Total
Cash and cash equivalents	2 004 527	2 004 527

2015

	Loans and receivables	Total
Cash and cash equivalents	1 781 243	1 781 243

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11 527	10 970
Bank balances	1 992 998	1 770 273
	2 004 525	1 781 243

5. Trade and other payables

Beneficiary disbursements payable	-	100 003
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6. Investment revenue

Interest revenue

Bank	155 477	96 827
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7. Taxation

No provision is made for taxation as the company is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act.

8. Cash generated from operations

Profit before taxation	323 285	429 194
Adjustments for:		
Interest received	(155 477)	(96 827)
Changes in working capital:		
Trade and other payables	(100 001)	6 270
	67 807	338 637

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Notes to the Annual Financial Statements

Figures in Rand

2016

2015

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 and credit facilities.

Interest rate risk

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

At 31 December 2016, 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 R20 045 (2015: R16 750) 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:

Financial instrument	2016	2015
Nedbank Limited	1 992 998	1 770 273

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Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2016	2015
Investment revenue		155 477	96 827
Donations received		1 857 535	2 071 799
		2 013 012	2 168 626
Operating expenses			
Advertising		(11 168)	(48 055)
Bank charges		(4 475)	(4 971)
Distributions		(1 120 000)	(1 065 000)
Employee costs		(425 724)	(413 480)
General expenses		(17 056)	(61 360)
Furniture & Fittings		(15 309)	(21 494)
Catering		(4 024)	(2 845)
Lease rentals on operating lease		(10 046)	(33 970)
Petrol and oil		(22 036)	(24 801)
Postage		(460)	(1 172)
Printing and stationery		(46 395)	(50 097)
Telephone and fax		(13 034)	(12 187)
		(1 689 727)	(1 739 432)
Surplus for the year		323 285	429 194