

**StreetSmart Homeless Children's Charity South Africa**  
**(Association incorporated under section 21)**  
Annual Financial Statements  
for the year ended 31 December 2017

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## 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>	AMD Cockburn CA Bagley MA Biggs SM Birch M A Burke RNE Heckscher L M Hersch D J Pillai M Thomas
<b>Registered office</b>	3rd Floor, Deneb House Cnr 368 Main & Browning Road Observatory 7925
<b>Business address</b>	3rd Floor, Deneb House Cnr 368 Main & Browning Road Observatory 7925
<b>Postal address</b>	P O Box 49 Green Point 8051
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Grant Thornton Cape Inc. Chartered Accountants (S.A.) Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Limited
<b>Secretary</b>	R N E Heckscher
<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>	05 April 2018

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## Index

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

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	14



# Grant Thornton

An instinct for growth™

Chartered Accountants (SA)

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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 6 to 13, which comprise the statement of financial position as at 31 December 2017, 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 2017, 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 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

#### 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)

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

05 April 2018

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## Directors' Responsibilities and Approval

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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 2018 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 05 April 2018 and were signed on its behalf by:



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**M A Burke**



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**RNE Heckscher**

**Cape Town**

**05 April 2018**

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## Directors' Report

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The directors submit their report for the year ended 31 December 2017.

### 1. 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.

### 2. 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 2017.

### 3. Directors

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

Name	Nationality	Changes
AMD Cockburn	South African	
CA Bagley	South African	
MA Biggs	South African	
SM Birch	South African	
B J Bordiss	South African	Resigned 21 November 2017
M A Burke	South African	
RNE Heckscher	German	
L M Hersch	South African	
S T Mzanywa	South African	Resigned 31 December 2017
D J Pillai	South African	
M Thomas	South African	
R Toefy	South African	Resigned 04 December 2017

### 4. Secretary

The secretary of the company is R N E Heckscher.

### 5. Auditors

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

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## Statement of Financial Position

Figures in Rand	Notes	2017	2016
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables		3,517	-
Cash and cash equivalents	3	1,816,724	2,004,525
		<b>1,820,241</b>	<b>2,004,525</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		1,813,526	2,004,525
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	6,715	-
<b>Total Equity and Liabilities</b>		<b>1,820,241</b>	<b>2,004,525</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 2017

## Statement of Comprehensive Income

<b>Figures in Rand</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
Donations received		1,451,180	1,857,535
Operating expenses		(688,122)	(569,727)
Distribution to charities		(1,120,000)	(1,120,000)
<b>Operating (loss) / surplus</b>		<b>(356,942)</b>	<b>167,808</b>
Investment revenue	5	165,943	155,477
<b>(Loss) / Surplus for the year</b>		<b>(190,999)</b>	<b>323,285</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 2017

## Statement of Changes in Equity

<b>Figures in Rand</b>	<b>Surplus</b>	<b>Total equity</b>
<b>Balance at 01 January 2016</b>	<b>1,681,240</b>	<b>1,681,240</b>
Changes in equity		
Total comprehensive surplus for the year	323,285	323,285
Total changes	323,285	323,285
<b>Balance at 01 January 2017</b>	<b>2,004,525</b>	<b>2,004,525</b>
Changes in equity		
Total comprehensive loss for the year	(190,999)	(190,999)
Total changes	(190,999)	(190,999)
<b>Balance at 31 December 2017</b>	<b>1,813,526</b>	<b>1,813,526</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 2017

## Statement of Cash Flows

Figures in Rand	Notes	2017	2016
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	7	(353,745)	67,805
Interest income		165,943	155,477
<b>Net cash from operating activities</b>		<b>(187,802)</b>	<b>223,282</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		2,004,525	1,781,243
<b>Total cash at end of the year</b>	3	<b>1,816,723</b>	<b>2,004,525</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 2017

## 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, 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.

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## 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.

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	698	11,527
Bank balances	1,816,026	1,992,998
	<b>1,816,724</b>	<b>2,004,525</b>

### 4. Trade and other payables

Refund due to beneficiary	6,715	-
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### 5. Investment revenue

#### Interest revenue

Bank	165,943	155,477
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### 6. 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.

### 7. Cash used in operations

Loss before taxation	(190,999)	323,285
<b>Adjustments for:</b>		
Interest received	(165,943)	(155,477)
<b>Changes in working capital:</b>		
Trade and other receivables	(3,517)	-
Trade and other payables	6,714	(100,003)
	<b>(353,745)</b>	<b>67,805</b>

### 8. 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:

#### 2017

	Loans and receivables	Total
Cash and cash equivalents	1,816,724	1,816,724

# StreetSmart Homeless Children's Charity South Africa

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

Annual Financial Statements for the year ended 31 December 2017

## Notes to the Annual Financial Statements

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### 8. Financial assets by category (continued)

2016

	Loans and receivables	Total
Cash and cash equivalents	2,004,525	2,004,525

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### 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 2017, 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 R18 160 (2016: R20 045) 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	2017	2016
Nedbank Limited	1,816,724	1,992,998

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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 2017

## Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
Investment revenue		165,943	155,477
Donations received		1,451,180	1,857,535
		<b>1,617,123</b>	<b>2,013,012</b>
<b>Operating expenses</b>			
Advertising		(33,591)	(11,168)
Bank charges		(5,020)	(4,475)
Distributions to charities		(1,120,000)	(1,120,000)
Employee costs		(462,487)	(425,724)
General expenses		(88,787)	(17,056)
Furniture & Fittings		(12,761)	(15,309)
Catering		(2,994)	(4,024)
Lease rentals on operating lease		-	(10,046)
Petrol and oil		(24,409)	(22,036)
Postage		(1,896)	(460)
Printing and stationery		(42,205)	(46,395)
Telephone and fax		(13,972)	(13,034)
		<b>(1,808,122)</b>	<b>(1,689,727)</b>
<b>(Loss) / Surplus for the year</b>		<b>(190,999)</b>	<b>323,285</b>