

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 MARCH 2013**

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

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FOR THE YEAR ENDED 31 MARCH 2013**

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**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**TRUSTEES' RESPONSIBILITIES AND APPROVAL**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

The trustees are required by the Trust Property Control Act, 1988, and the trust deed, 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 trust as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with its accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The financial statements are prepared in accordance with the trust's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial controls established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets out 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 trust and employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 31<sup>st</sup> March 2014 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of trustees is primarily responsible for the financial affairs of the trust, it is supported by the trust's external auditors.

The external auditors are responsible for independently reviewing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 2 and 3.

The financial statements set out on pages 4 to 13, were approved by the board of trustees on the 29<sup>th</sup> August 2014 and were signed on its behalf by:

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## **REPORT OF THE INDEPENDENT AUDITORS**

### **TO THE TRUSTEES**

#### **INFINITE FAMILY SOUTH AFRICA TRUST TRUST NUMBER 2515/2010**

##### **Report on the financial statements**

We have audited the accompanying financial statements of Infinite Family South Africa Trust, which comprise the Trustees' report, statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 13.

##### **Trustees' responsibility for the financial statements**

The Trustees are responsible for the preparation and the fair presentation of these financial statements in accordance with their accounting policies. 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.

##### **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. These 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 auditor's judgement, including the assessment of the risk 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 for qualified opinion**

In common with similar organisations, it is not feasible for the trust to institute accounting controls over grants, donations and other income prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

#### **Qualified Opinion**

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of Infinite Family South Africa Trust as at 31 March 2013, and of its financial performance and its cash flows for the period then ended in accordance with its accounting policies.

**Douglas & Velcich**  
**Chartered Accountants (S.A.)**  
**Registered Accountants and Auditors**

**Johannesburg**  
**29 August 2014**

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**REPORT OF THE TRUSTEES FOR THE  
YEAR ENDED 31 MARCH 2013**

The trustees present their first report, together with the financial statements of the trust for the financial period ended 31 March 2013.

**GENERAL**

The principal object of the trust is to promote self-reliance to augment what is taught in the classroom to help develop resilient, responsible, and resourceful students as they prepare for their lives as young adults and beyond,

The results of the trust's activities and the state of its affairs are set out in the attached financial statements.

**EQUIPMENT**

During the year under review, the Trust purchased equipment R230,000, (2012: Nil).

**POST FINANCIAL POSITION EVENTS**

There were no material facts or circumstances which have occurred in the trust's operations between the financial position date and the date of this report.

**TRUSTEES**

The trustees of the trust are :

R Dannhauser

A C Stokes

R Motene (appointed during the year

N Postma (resigned during the year)

**INFINITE FAMILY SOUTH AFRICA TRUST**  
**TRUST NUMBER 2515/2010**

**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2013**

	Note	2013 R	2012 R
<b>ASSETS</b>		<b>3 059 728</b>	<b>508 662</b>
<b>Non - current assets</b>		<b>207 000</b>	
Equipment	2	207 000	-
<b>Current assets</b>		<b>2 852 728</b>	<b>508 662</b>
Accounts receivable	3	10 944	-
Cash and cash equivalents	4	2 841 784	508 662
<b>Total assets</b>		<b>3 059 728</b>	<b>508 662</b>
<b>RESERVES AND LIABILITIES</b>		<b>3 059 728</b>	<b>508 662</b>
<b>Reserves</b>		<b>485 728</b>	<b>508 662</b>
Trust capital		100	100
Accumulated fund		485 628	508 562
<b>Current liabilities</b>		<b>2 574 000</b>	<b>-</b>
Accounts payable	5	4 000	-
Deferred grant income	6	2 570 000	-
<b>Total reserves and liabilities</b>		<b>3 059 728</b>	<b>508 662</b>

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	12 Months to 31//3/2013 R	8 Months to 31//3/2012 R
<b>INCOME</b>		<b>821 575</b>	<b>892 796</b>
Grants and donations	7	590 469	892 516
Transfer from Head Office -USA		199 940	-
Interest received	8	31 166	280
<b>EXPENDITURE</b>		<b>844 509</b>	<b>384 234</b>
Accounting fees		4 500	-
Assets expensed directly		-	3 657
Bank charges		3 713	3 784
Computer /IT services		50 000	-
Consulting fees		-	5 000
Depreciation	2	23 000	-
Grants distributed	9	65 550	62 250
Office supplies		14 729	2 523
Programme costs		146 454	11 589
Repairs and maintenance		3 957	1 440
Salaries and contributions		492 062	281 250
Telephone and internet		12 469	8 545
Travel and accommodation		27 848	4 196
Website		228	-
<b>(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD</b>		<b>(22 934)</b>	<b>508 562</b>



**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 MARCH 2013**

	Trust Capital R	Accumulated Fund R	Total R
Issue of trust capital	100	-	100
Surplus for the period	-	508 562	508 562
<b>Balance at 31 March 2012</b>	<b>100</b>	<b>508 562</b>	<b>508 662</b>
(Deficit) for the year		(22 934)	(22 934)
<b>Balance at 31 March 2013</b>	<b>100</b>	<b>485 628</b>	<b>485 728</b>

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 31 MARCH 2013**

	Note	12 Months to 31//3/2013 R	8 Months to 31//3/2012 R
Cash received from donors		3 360 409	892 516
Cash expended on programmes, suppliers and employees		(828 453)	(384 234)
<b>Cash generated from/(utilised in) operations</b>	<b>11</b>	<b>2 531 956</b>	<b>508 282</b>
Interest received		31 166	280
<b>Net cash inflow/(outflow) from operating activities</b>		<b>2 563 122</b>	<b>508 562</b>
<b>Cash flows generated from/(utilised in) investing activities</b>		<b>(230 000)</b>	<b>-</b>
Aquisition of equipment		(230 000)	-
<b>Cash flows generated from/(utilised in) financing activities</b>		<b>-</b>	<b>100</b>
<b>Net increase in cash and cash equivalents</b>		<b>2 333 122</b>	<b>508 662</b>
<b>Cash and cash equivalents at beginning of year/period</b>		<b>508 662</b>	<b>-</b>
<b>Cash and cash equivalents at end of year/period</b>	<b>4</b>	<b>2 841 784</b>	<b>508 662</b>

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PYEAR ENDED 31 MARCH 2013**

**1. ACCOUNTING POLICIES**

The financial statements are prepared on the historical cost basis, except for financial instruments as indicated below. The financial statements incorporate the following principal accounting policies set out below :-

**1.1 Accounting convention**

The trust is registered with the Master of the High Court under the Trust Property Control Act, 1988, and, as such no part of its income or property shall be transferred to its trustees directly or indirectly. All reserves of the trust are consequently non-distributable.

**1.2 EQUIPMENT**

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the organisation; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

<b>Item</b>	<b>Useful life</b>
Container LaunchPad	10 years

The depreciation charge for each period is recognised through the equipment fund.

The gain or loss arising from the derecognising of an item of equipment is included in the equipment fund when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**INFINITE FAMILY SOUTH AFRICA TRUST  
TRUST NUMBER 2515/2010**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PYEAR ENDED 31 MARCH 2013 (Continued)**

**1.3 Financial instruments**

**Measurement**

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

**Accounts receivable**

Accounts receivables and accrued income are stated at cost less provision for impairment losses.

**Cash and cash equivalents**

Cash and cash equivalents are measured at fair value.

**Accounts payable**

Accounts payable which are short - term obligations, are stated at their nominal value.

**1.4 Income recognition**

Income from grants is generally brought to account in the period to which it relates.

All other income is brought to account as and when received.

**1.5 Interest income**

Interest is brought to account as and when received.

**1.6 Expenditure recognition**

Expenditure is accounted for on the accrual basis.

**1.7 Project accounting and expense allocation**

In terms of its contractual obligations to donors, the trust's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds. Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of each project or donor 'fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

INFINITE FAMILY SOUTH AFRICA TRUST  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2013 (Continued)

2. EQUIPMENT

	Containers LaunchPad R	Total R
Net book value 1 April 2012	-	-
Additions during the year	230 000	230 000
Depreciation for the year	(23 000)	(23 000)
Net book value 31 March 2013	<b>207 000</b>	<b>207 000</b>
Cost	230 000	230 000
Accumulated depreciation	(23 000)	(23 000)
	<b>31/3/2013</b>	<b>31/3/2012</b>

3. ACCOUNTS RECEIVABLE

Rental deposit	<b>10 944</b>	-
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4. CASH AND CASH EQUIVALENTS

Nedbank - call account	2 842 536	500 381
Petty cash	(752)	8 281
	<b>2 841 784</b>	<b>508 662</b>

5. ACCOUNTS PAYABLE

Accruals	<b>4 000</b>	-
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6. DEFERRED INCOME

Kumba Iron Ore	2 000 000	-
BT Communications	500 000	-
Adopt a School Foundation	70 000	-
	<b>2 570 000</b>	-

**INFINITE FAMILY SOUTH AFRICA TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2013 (Continued)**

	<b>12 Months to 31//3/2013 R</b>	<b>8 Months to 31//3/2012 R</b>
<b>7. GRANTS AND DONATIONS</b>		
Corporations	590 469	500 000
BT Comms	585 469	490 000
Zebra Square (Pty) Ltd	5 000	10 000
US Non profits		392 516
	<b>590 469</b>	<b>892 516</b>
<b>8. NET INTEREST RECEIVED</b>		
Interest received - call account	<b>31 166</b>	<b>280</b>
<b>9. GRANTS DISTRIBUTED</b>		
Alexandra Child Care	18 300	-
Tau Raulana HS	10 650	-
Nkosi's Haven	18 300	49 050
Tsogang Sechaba	18 300	13 200
	<b>65 550</b>	<b>62 250</b>
<b>10. TAXATION</b>		
No provision has been made for taxation as the Trust is exempt from South African Normal tax in terms of section 10(1)(cN) as read with Section 30 of the Income Tax Act.		
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Surplus for the period	(22 934)	508 562
Adjusted for :		
Depreciation	23 000	
Interest received	(31 166)	(280)
Increased in deferred income	2 570 000	
<b>Operating surplus before working capital changes</b>	<b>2 538 900</b>	<b>508 282</b>
<b>Working capital changes</b>	<b>(6 944)</b>	-
(Increased) in accounts receivable	(10 944)	-
Increase in accounts payable	4 000	-
	<b>2 531 956</b>	<b>508 282</b>

**INFINITE FAMILY SOUTH AFRICA TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2013 (Continued)**

**12. GOING CONCERN**

The existence of the trust is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn it is highly unlikely that the trust will be able to continue as a going concern. Donors have agreed to continue supporting the trust in 2013.

**13. FINANCIAL RISK**

**13.1 Currency risk**

The trust is exposed to currency risk to the extent that some grants are received by the trust in foreign currency.

**13.2 Interest rate risk**

The trust is exposed to interest rate risk, as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates and placings within market expectations.

**13.3 Credit risk**

The trust's credit risk is attributable to liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The trust has no significant concentration of credit risk.

**13.4 Liquidity risk**

The trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.