

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

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2014**

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

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FOR THE YEAR ENDED 31 MARCH 2014**

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INFINITE FAMILY SOUTH AFRICA TRUST
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TRUSTEES' RESPONSIBILITIES AND APPROVAL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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.

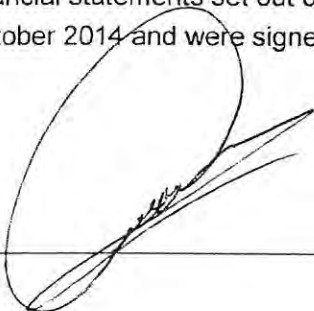
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control 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 31st March 2015 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 30th October 2014 and were signed on its behalf by:



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 2014, 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 2014, and of its financial performance and its cash flows for the period then ended in accordance with its accounting policies.

Emphasis of matter

As is explained in note 12 to the financial statements, the Trust needs ongoing donor support if it is to continue operations. These financial statements have been prepared on the basis of accounting practices applicable to a going concern which assumes that the trust will generate sufficient funds by way of grants from donors to continue funding its activities in the ensuing year.



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

Johannesburg
30 October 2014

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

**REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 MARCH 2014**

The trustees present their first report, together with the financial statements of the trust for the financial period ended 31 March 2014.

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 RNil, (2012: R230,000).

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

INFINITE FAMILY SOUTH AFRICA TRUST
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STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014

	Note	2014 R	2013 R
ASSETS		613 464	3 059 728
Non - current assets		184 000	207 000
Equipment	2	184 000	207 000
Current assets		429 464	2 852 728
Accounts receivable	3	10 944	10 944
Cash and cash equivalents	4	418 520	2 841 784
Total assets		613 464	3 059 728
RESERVES AND LIABILITIES		613 464	3 059 728
Reserves		105 680	485 728
Trust capital		100	100
Accumulated fund		105 580	485 628
Current liabilities		507 783	2 574 000
Accounts payable	5	7 783	4 000
Deferred grant income	6	500 000	2 570 000
Total reserves and liabilities		613 464	3 059 728

**INFINITE FAMILY SOUTH AFRICA TRUST
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	12 Months to 31//3/2014 R	12 Months to 31//3/2013 R
INCOME		2 194 681	821 575
Grants and donations	7	2 134 951	590 469
Transfer from Head Office -USA		-	199 940
Interest received	8	59 731	31 166
EXPENDITURE		2 574 728	844 509
Accounting fees		3 783	4 500
Assets expensed directly		-	-
Bank charges		6 041	3 713
Computer /IT services		60 000	50 000
Conference and professional development		7 296	
Depreciation	2	23 000	23 000
Grants distributed	9	88 905	65 550
Internet sites		124 004	
Office supplies		6 351	14 729
Programme costs		128 259	146 454
Repairs and maintenance		-	3 957
Salaries and contributions		585 871	492 062
Telephone and internet		9 230	12 469
Travel and accommodation		16 875	27 848
Transfer to Head Office -USA		1 515 000	
Website		114	228
(DEFICIT) FOR THE YEAR		(380 047)	(22 934)

**INFINITE FAMILY SOUTH AFRICA TRUST
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**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2014**

	Trust Capital R	Accumulated Fund R	Total R
Issue of trust capital	100	508 562	508 662
Surplus for the period	-	(22 934)	(22 934)
Balance at 31 March 2012	100	485 628	485 728
(Deficit) for the year		(380 047)	(380 047)
Balance at 31 March 2013	100	105 580	105 680

INFINITE FAMILY SOUTH AFRICA TRUST
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STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 MARCH 2014

	Note	12 Months to 31//3/2014 R	12 Months to 31//3/2013 R
Cash received from donors		64 951	3 360 409
Cash expended on programmes, suppliers and employees		(2 547 945)	(828 453)
Cash generated from/(utilised in) operations	10	(2 482 995)	2 531 956
Interest received		59 731	31 166
Net cash inflow/(outflow) from operating activities		(2 423 264)	2 563 122
Cash flows generated from/(utilised in) investing activities		-	(230 000)
Aquisition of equipment		-	(230 000)
Cash flows generated from/(utilised in) financing activities		-	-
Net increase in cash and cash equivalents		(2 423 264)	2 333 122
Cash and cash equivalents at beginning of year/period		2 841 784	508 662
Cash and cash equivalents at end of year/period	4	418 520	2 841 784

**INFINITE FAMILY SOUTH AFRICA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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:

Item	Useful life
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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 (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
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)**

2. EQUIPMENT

	Containers LaunchPad R	Total R
31 MARCH 2014		
Net book value 1April 2013	207 000	207 000
Cost	230 000	230 000
Accumulated depreciation	(23 000)	(23 000)
Additions during the year	-	-
Depreciation for the year	(23 000)	(23 000)
Net book value 31 March 2014	184 000	184 000
Cost	230 000	230 000
Accumulated depreciation	(46 000)	(46 000)
31 MARCH 2013		
Net book value 1April 2012	-	-
Additions during the year	230 000	230 000
Depreciation for the year	(23 000)	(23 000)
Net book value 31 March 2013	207 000	207 000
Cost	230 000	230 000
Accumulated depreciation	(23 000)	(23 000)
	31/3/2014	31/3/2013
3. ACCOUNTS RECEIVABLE		
Rental deposit	10 944	10 944
4. CASH AND CASH EQUIVALENTS		
Nedbank - call account	415 390	2 842 536
Petty cash	3 130	(752)
	418 520	2 841 784
5. ACCOUNTS PAYABLE		
Accruals	7 783	4 000
6. DEFERRED INCOME		
Kumba Iron Ore	-	2 000 000
BT Communications	500 000	500 000
Adopt a School Foundation	-	70 000
	500 000	2 570 000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)

	31//3/2014 R	31//3/2013 R
7. GRANTS AND DONATIONS		
Corporations	57 000	590 469
BT Comms	40 000	585 469
Pulse Contact Solutions	17 000	
Zebra Square (Pty) Ltd	-	5 000
Donations - individuals	7 951	-
Kumba Iron Ore	2 000 000	-
Received	-	2 000 000
Deferred to 2014	2 000 000	(2 000 000)
Adopt a School Foundation	70 000	-
Received	-	70 000
Deferred to 2014	70 000	(70 000)
	2 134 951	590 469
8. NET INTEREST RECEIVED		
Interest received - call account	59 731	31 166
9. GRANTS DISTRIBUTED		
Alexandra Child Care	20 100	18 300.00
Tau Raulana HS	27 950	10 650.00
Nkosi's Haven	-	18 300
Tsogang Sechaba	20 125	18 300
N H Village	20 730	-
	88 905	65 550
10. CASH GENERATED FROM OPERATIONS		
Surplus for the period	(380 047)	(22 934)
Adjusted for :		
Depreciation	23 000	23 000
Interest received	(59 731)	(31 166)
Increased in deferred income	(2 070 000)	2 570 000
Operating surplus before working capital changes	(2 486 778)	2 538 900
Working capital changes	3 783	4 000
(Increased) in accounts receivable	-	-
Increase in accounts payable	3 783	4 000
	(2 482 995)	2 542 900

**INFINITE FAMILY SOUTH AFRICA TRUST
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE
FOR THE YEAR ENDED 31 MARCH 2014 (Continued)**

11. TAXATION

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.

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 2015.

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.