

**INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)**

(NPO REGISTRATION 091-530-NPO)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

**INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)**

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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**INFINITE FAMILY NPC
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium - sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium - sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls 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 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 company and employees are required to maintain the highest ethical standards in ensuring the company's business is considered 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.

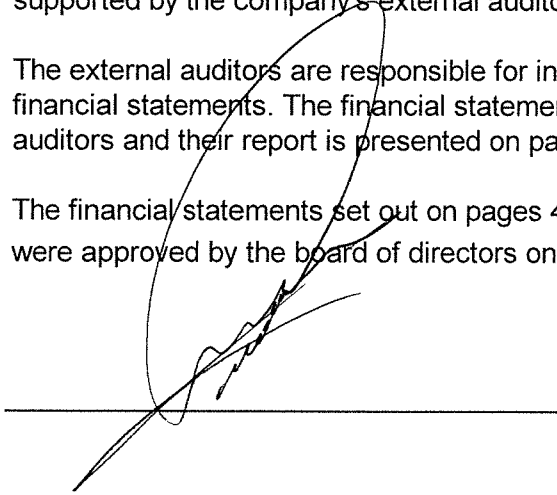
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control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

The directors have reviewed the company's cash flow forecast for the year to 31st December 2016 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.

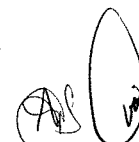
Although the board of directors is primarily responsible for the financial affairs of the company, it is supported by the company's external auditors.

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

The financial statements set out on pages 4 to 15, which have been prepared on the going concern basis, were approved by the board of directors on the 16th May 2016 and were signed on its behalf by:







REPORT OF THE INDEPENDENT AUDITORS

TO THE DIRECTORS

INFINITE FAMILY NPC (REGISTRATION NO. 2014/086518/08)

Report on the financial statements

We have audited the accompanying financial statements of the Infinite Family NPC, which comprises the directors' report, statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 15.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium - sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls 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. 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.

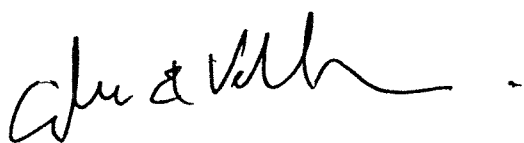
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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.

Unqualified Opinion

In our opinion, these financial statements fairly present, in all material respects, the financial position of the Infinite Family NPC as at 31 December 2015, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium - sized Entities, and in the manner required by the Companies Act of South Africa.



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

Johannesburg
16 May 2016



**INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)**

**DIRECTORS' REPORT FOR THE
YEAR ENDED 31 DECEMBER 2015**

The directors present their report, together with the financial statements of the company for the financial period ended 31 December 2015.

GENERAL

The principal object of the company is to strengthen and inspire South African teens and pre-teens affected by HIV/AIDS and poverty to lead fulfilling lives by assisting them to develop self-reliance and to become responsible, resourceful and resilient young adults.

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

SHARE CAPITAL AND DIVIDENDS

The company has no share capital and its memorandum of incorporation prohibits the payments of dividends to members.

POST FINANCIAL POSITION EVENTS

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

EQUIPMENT

During the period under review, the company acquired equipment costing R Nil (Acquired in 2014: R 460,649 and net equipment value of R184,000 were transferred from the Infinite Family South Africa Trust).

DIRECTORS

The following directors were appointed at the date of incorporation :-

A C Stokes (American)
R A Dannhauser
B J Kun

AUDITORS

Douglas & Velcich were appointed as auditors for the period under review.

ACS


INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Note	2015 R	2014 R
ASSETS		954 941	1 266 316
Non - current assets		541 084	610 149
Equipment	2	541 084	610 149
Current assets		413 857	656 167
Accounts receivable	3	10 944	10 944
Accrued grant income	4	-	200 000
Cash and cash equivalents	5	402 913	445 223
Total assets		954 941	1 266 316
RESERVES AND LIABILITIES		954 941	1 266 316
Reserves		84 274	52 219
Accumulated fund		84 274	52 219
Current liabilities		870 667	1 214 097
Accounts payable		70 667	-
Cash and cash equivalents	5	-	165
Deferred grant income	6	800 000	1 213 932
Total reserves and liabilities		954 941	1 266 316

INFINITE FAMILY NPC
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	12 Months to 31/12/2015 R	8 Months to 31/12/2014 R
INCOME		2 283 716	1 467 831
Grants and donations	7	2 250 835	1 448 283
Interest received	8	13 881	19 548
Sundry income		19 000	-
EXPENDITURE		2 251 661	1 521 293
Audit fees		55 786	2 135
Bank charges		4 164	7 223
Bookkeeping		9 761	
Computer /IT services		73 709	65 000
Conference and professional development		11 389	32 700
Depreciation	2	69 065	34 500
Filming		1 850	
NGO Stipends	9	123 338	65 109
Internet sites		-	(5 572)
Office supplies		40 336	20 144
Postage and delivery		861	
Programme costs		366 219	184 077
Regulator administration		9 210	
Salaries and contributions		804 259	494 655
Telephone and fax		15 735	11 820
Travel and accommodation		15 979	22 305
Transfer to Head Office -USA		650 000	558 563
Website		-	28 634
SURPLUS/(DEFICIT) FOR THE YEAR/PERIOD		32 055	(53 462)

**INFINITE FAMILY NPC
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**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Accumulated Fund R	Total R
Transfer of net assets from Infinite Family South Africa Trust (IT 2515/2010)	105 681	105 681
(Deficit) for the period	(53 462)	(53 462)
Balance at 31 December 2014	52 219	52 219
(Deficit) for the year	32 055	32 055
Balance at 31 December 2015	84 274	84 274

INFINITE FAMILY NPC
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STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 DECEMBER 2015

	Note	12 Months to 31/12/2015 R	8 Months to 31/12/2014 R
Cash received from donors		2 055 903	1 962 215
Cash expended on programmes, suppliers and employees		(2 111 929)	(1 494 576)
Cash generated from operations	12	(56 026)	467 639
Interest received		13 881	19 548
Net cash inflow from operating activities		(42 145)	487 187
Cash flows (utilised in) investing activities		-	(460 649)
Acquisition of equipment		-	(460 649)
Cash flows generated from/(utilised in) financing activities		-	-
Net increase in cash and cash equivalents		(42 145)	26 538
Cash and cash equivalents transferred from the Trust		-	418 520
Cash and cash equivalents at beginning of year		445 058	-
Cash and cash equivalents at end of period	4	402 913	445 058

**INFINITE FAMILY NPC
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

ACCOUNTING POLICIES

1. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium - sized Entities and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for financial instruments, and incorporate the following principal accounting policies set out below.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

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 company; 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 in profit or loss, unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognising of an item of equipment is included in profit or loss 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)

ACCOUNTING POLICIES (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 IMPAIRMENT

The carrying amounts of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

1.6 PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.7 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.

1.8 INTEREST INCOME

Interest is brought to account as and when received.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)**

ACCOUNTING POLICIES (Continued)

1.9 EXPENDITURE RECOGNITION

Expenditure is accounted for on the accrual basis.

1.10 PROJECT ACCOUNTING AND EXPENSE ALLOCATION

In terms of its contractual obligations to donors, the company'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.

1.11 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)

2. EQUIPMENT

	Containers LaunchPad R	Total R
31 December 2014		
Net book value - 1 January 2015	610 149	610 149
Cost	690 649	690 649
Accumulated depreciation	(80 500)	(80 500)
Additions during the period	-	-
Depreciation for the period	(69 065)	(69 065)
Net book value - 31 December 2015	541 084	541 084
Cost	690 649	690 649
Accumulated depreciation	(149 565)	(149 565)
1 APRIL 2014		
Transfer from Infinite Family South Africa Trust	184 000	184 000
Net book value - 1 April 2014		
Cost	230 000	230 000
Accumulated depreciation	(46 000)	(46 000)
Additions during the period	460 649	460 649
Depreciation for the period	(34 500)	(34 500)
Net book value - 31 December 2014	610 149	610 149
Cost	690 649	690 649
Accumulated depreciation	(80 500)	(80 500)
	31/12/2015	31/12/2014
		R

3. ACCOUNTS RECEIVABLE

Rental deposit	10 944	10 944
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4. ACCRUED INCOME

BT Communications	-	200 000
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INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)

	12 Months to 31/12/2015 R	8 Months to 31/12/2014 R
5. CASH AND CASH EQUIVALENTS		
Favourable balances	402 913	445 223
Standard Bank - current account	400 127	442 897
Petty cash	2 786	2 326
Unfavourable balances	-	(165)
Standard Bank - current account	-	(165)
	402 913	445 058
6. DEFERRED INCOME		
Glencore / Xstrata	-	291 694
BT Communications	500 000	500 000
European School of Munich	300 000	422 238
	800 000	1 213 932
7. GRANTS AND DONATIONS		
BT Communications	-	-
Deferred transfer from Infinite Family South Africa Trust	-	500 000
Deferred to 2015	500 000	(500 000)
Deferred to 2016	(500 000)	
BT Communications	-	200 000
Received	200 000	-
Accrued in 2014	(200 000)	200 000
BT Communications	400 000	
Received	400 000	
Glencore / Xstrata	1 401 316	-
Received	1 401 316	-
Deferred to 2015	-	-
Glencore / Xstrata	291 694	1 238 276
Received	-	1 529 970
Deferred to 2015	291 694	(291 694)
European School of Munich	122 238	-
Received	-	422 238
Deferred to 2015	422 238	(422 238)
Deferred to 2016	(300 000)	-
Glencore / Xstrata	9 750	
Scarab IT Solutions	5 837	
Donations - individuals	20 000	10 007
	2 250 835	1 448 283
8. NET INTEREST RECEIVED		
Interest received - call account	13 881	19 548

ACS

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)

	12 Months to 31/12/2015 R	8 Months to 31/12/2014 R
9. NGO STIPENDS		
Alexandra Child Care	21 875	15 750
Tau Raulana HS	25 800	19 350
Tsogang Sechaba	22 794	16 000
N H Village	-	14 009
Nkosi's Haven	21 913	-
Mehlwana	30 956	-
	123 338	65 109
10. CASH GENERATED FROM OPERATIONS		
(Deficit) for the period	32 055	(53 462)
Adjusted for :		
Depreciation	69 065	34 500
Interest received	(13 881)	(19 548)
(Increase) in accrued income	200 000	(200 000)
Increase in deferred income	(413 932)	713 932
Operating surplus before working capital changes	(126 693)	475 422
Working capital changes	70 667	(7 783)
Decrease/(increase) in accounts receivable	-	-
(Decrease) in accounts payable transferred from the trust	70 667	(7 783)
	(56 026)	467 639
11. TAXATION		
No provision has been made for taxation as the Company is exempt from South African Normal tax in terms of section 10(1)(cN) as read with Section 30 of the Income Tax Act.		

**INFINITE FAMILY NPC
(REGISTRATION NO. 2014/086518/08)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2015 (Continued)**

12. GOING CONCERN

The existence of the company is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn it is highly unlikely that the company will be able to continue as a going concern. Donors have agreed to continue supporting the company in 2015.

13. FINANCIAL RISK

13.1 Currency risk

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

13.2 Interest rate risk

The company 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 company'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 company has no significant concentration of credit risk.

13.4 Liquidity risk

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

