

**Association for Water and Rural Development (RF) NPC  
(Registration number 1998/003011/08)  
Trading as AWARD  
Annual Financial Statements  
for the year ended 31 December 2017**

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**General Information**

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To develop, test, inform and implement new and appropriate ways of managing water and other natural resources so as to contribute to sustainable futures that promote the dignity of all.
<b>Directors</b>	Sharon Pollard Matthew Prior Lephai Patrick Maunatlala
<b>Registered office</b>	Top Floor, Sunset Office Block Cnr. of Koedoe and Buffel Street Hoedspruit 1380
<b>Business address</b>	Top Floor, Sunset Office Block Cnr. of Koedoe and Buffel Street Hoedspruit 1380
<b>Postal address</b>	Private Bag 1919 Hoedspruit 1380
<b>Bankers</b>	First National Bank
<b>Auditors</b>	PricewaterhouseCoopers Inc. Registered Auditors
<b>Company registration number</b>	1998/003011/08
<b>Tax reference number</b>	9383/387/84/3
<b>Level of assurance</b>	These annual financial statements have been audited voluntarily in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled under the supervision of: E van Niekerk CA(SA)

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

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### Directors' Responsibilities and Approval

The directors are required by 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard 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 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.

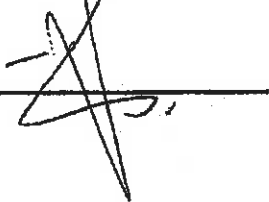
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 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 external auditor's are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor's and their report is presented on pages 6 to 8.

The annual financial statements and additional schedules set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 28 September 2018 and were signed on their behalf by:

\_\_\_\_\_  
Director



\_\_\_\_\_  
Director



## Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Association for Water and Rural Development (RF) NPC for the year ended 31 December 2017.

### 1. Nature of business

Association for Water and Rural Development (RF) NPC was incorporated in South Africa to develop, test, inform and implement new and appropriate ways of managing water and other natural resources so as to contribute to sustainable futures that promote the dignity of all. The company operates in Southern Africa.

On 1 December 2012, the USAID approved Cooperative Agreement No. AID-674-A-13-00008, which provided \$9,766,855 in grant funds to the Association for Water and Rural Development NPC (AWARD) for building improved transboundary governance and management of the Olifants Catchment of the Limpopo Basin for enhanced resiliency of its people and ecosystems to environmental change through systemic and participatory approaches. The project is known as Resilience in the Limpopo Basin Program (RESILIM). This project is currently the main focus of AWARD's operations.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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.

Net surplus of the company was R 1 561 056 (2016: R 1 509 610).

### 3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

### 5. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
Sharon Pollard	South African
Matthew Prior	South African
Lephai Patrick Maunatlala	South African

### 6. Secretary

The company had no secretary during the year.

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**Directors' Report (Continued)**

**7. Auditors**

PricewaterhouseCoopers Inc. continued in office as auditors for the company for 2017.

At the AGM, the shareholder will be requested to reappoint PricewaterhouseCoopers Inc. as the independent external auditors of the company and to confirm Mr D Adriaans as the designated lead audit partner for the 2018 financial year.



## *Independent auditor's report*

To the Members of Association for Water and Rural Development (RF) NPC

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### *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association for Water and Rural Development (RF) (the Company) as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### **What we have audited**

Association for Water and Rural Development (RF) NPC's financial statements set out on pages 9 to 20 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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).

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the Association for Water and Rural Development (RF) NPC annual financial statements for the year ended 31 December 2017, which includes the Directors' Report as required by the Companies Act of South Africa and the Statement of Financial Performance on pages 21 and 22. Other information does not include the financial statements and our auditor's report thereon.

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Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothiba, C Richardson, F Tonelli, C Volschenk  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *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 the International Financial Reporting Standard for Small and Medium-sized Entities 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 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.

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### *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.

*Price waterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

**Director: D Adriaans**

**Registered Auditor**

**Stellenbosch**

28 September 2018

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**Statement of Financial Position**

	Notes	2017 R	2016 R
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	332 441	198 507
Accrued income	5	2 842 866	3 352 051
Cash and cash equivalents	3	2 673 299	2 288 582
		<u>5 848 606</u>	<u>5 839 140</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	1 258 099	1 346 587
<b>Total Assets</b>		<u>7 106 705</u>	<u>7 185 727</u>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred income	5	25 566	412 248
Trade and other payables	6	1 606 989	2 860 385
		<u>1 632 555</u>	<u>3 272 633</u>
<b>Equity</b>			
Reserves	16	773 099	1 228 478
Retained income		4 701 051	2 684 616
		<u>5 474 150</u>	<u>3 913 094</u>
<b>Total Equity and Liabilities</b>		<u>7 106 705</u>	<u>7 185 727</u>

The accounting policies on pages 13 to 16 and the notes on pages 17 to 20 form an integral part of the annual financial statements.

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**Statement of Comprehensive Income**

	Notes	2017 R	2016 R
Revenue	7	28 121 502	24 479 266
Other income	8	13 913	32 053
Operating expenses	9	(26 664 006)	(23 068 504)
<b>Operating surplus</b>		<b>1 471 409</b>	<b>1 442 815</b>
Investment revenue	10	89 647	66 795
<b>Surplus for the year</b>		<b>1 561 056</b>	<b>1 509 610</b>
Other comprehensive income		-	-
<b>Total comprehensive Income for the year</b>		<b>1 561 056</b>	<b>1 509 610</b>
<b>Surplus attributable to:</b>			
Normal operations		2 006 435	1 229 591
Capital expenditures relating to the RESILIM project		(445 379)	280 019
		<b>1 561 056</b>	<b>1 509 610</b>

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**Statement of Changes in Equity**

	RESILIM Capital fund R	Retained income R	Total equity R
<b>Balance at 01 January 2016</b>	<b>948 459</b>	<b>1 455 025</b>	<b>2 403 484</b>
Surplus for the year	-	1 509 610	1 509 610
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 509 610</b>	<b>1 509 610</b>
Transfer between reserves	280 019	(280 019)	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>280 019</b>	<b>(280 019)</b>	<b>-</b>
<b>Balance at 01 January 2017</b>	<b>1 228 478</b>	<b>2 684 616</b>	<b>3 913 094</b>
Surplus for the year	-	1 561 056	1 561 056
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 561 056</b>	<b>1 561 056</b>
Transfer between reserves	(455 379)	455 379	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(455 379)</b>	<b>455 379</b>	<b>-</b>
<b>Balance at 31 December 2017</b>	<b>773 099</b>	<b>4 701 051</b>	<b>5 474 150</b>
Note	16		

The accounting policies on pages 13 to 16 and the notes on pages 17 to 20 form an integral part of the annual financial statements.

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**Statement of Cash Flows**

	Notes	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers and donors		27 969 738	21 777 043
Cash paid to suppliers and employees		(27 187 786)	(20 820 342)
Cash generated from operations	13	781 952	956 701
Investment revenue		89 647	66 795
<b>Net cash from operating activities</b>		<b>871 599</b>	<b>1 023 496</b>
<b>Cash flows (used in) investing activities</b>			
Purchase of property, plant and equipment	4	(538 299)	(718 623)
Proceeds from disposal of property, plant and equipment	4	51 417	8 597
<b>Net cash (used in) investing activities</b>		<b>(486 882)</b>	<b>(710 026)</b>
<b>Total cash movement for the year</b>		<b>384 717</b>	<b>313 470</b>
Cash and cash equivalents at the beginning of the year		2 288 582	1 975 112
<b>Cash and cash equivalents at end of the year</b>	3	<b>2 673 299</b>	<b>2 288 582</b>

The accounting policies on pages 13 to 16 and the notes on pages 17 to 20 form an integral part of the annual financial statements.

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## **Accounting Policies**

### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis 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 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

##### **Critical judgements in applying accounting policies**

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

##### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

##### **Impairment testing**

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### **1.2 Financial instruments**

A financial asset or financial liability is initially recognised at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction.

##### **Financial instruments at amortised cost**

Debt instruments, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

##### **Financial instruments at cost**

Commitments to receive a loan are measured at cost less impairment.

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## **Accounting Policies**

### **1.2 Financial instruments (continued)**

#### **Trade receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as a current liability on the statement of financial position.

#### **Borrowings**

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Trade Payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Rand using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

### **1.3 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.4 Property, plant and equipment**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include expenditure incurred initially to acquire or construct an item of property, plant and equipment 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 property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

## Accounting Policies

### 1.4 Property, plant and equipment (continued)

Depreciation on other assets is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	5 years
Motor vehicles	5 years
IT equipment	3 years

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The residual value, depreciation method and useful life of each asset are reviewed and adjusted prospectively, if appropriate, if there are indicators present that there has been a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

### 1.5 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that they are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or CGU to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### 1.7 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the company's activities. Revenue is shown net of sales/value-added tax.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.



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## **Accounting Policies**

### **1.7 Revenue (continued)**

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Income from grants and donations is brought into the account in the period to which it relates to. All other income is recorded in the financial statements at the date the service were performed.

Deferred income comprises grants received in advance of the period to which they relate and in advance of actual expenditure being incurred. This income is excluded from revenue and is accounted for as a current liability. Annual contract deficits are provided for as accrued income in terms of each relevant contract so far these will be recovered from funders.

### **1.8 Project accounting and expense allocation**

In terms of its contractual obligations to donors, the organisation allocates project expenses that are clearly identifiable as such, directly against project funds, indirect and shared costs are either apportioned on the basis of management estimates, or recovered through the levy of an administration fee. For disclosure purposes, all similar costs are accumulated across all projects. Project specific costs are non-standard expense items that relate directly to a specific project.

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**Notes to the Annual Financial Statements**

	2017 R	2016 R
<b>2. Trade and other receivables</b>		
Trade receivables	-	5 254
Prepayments	179 504	155 789
Deposits	5 000	5 000
South African Receiver of Revenue - VAT	147 937	32 464
	<b>332 441</b>	<b>198 507</b>

**3. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	9 198	6 047
Bank balances	1 091 585	1 006 831
Short-term deposits	1 572 516	1 275 704
	<b>2 673 299</b>	<b>2 288 582</b>

The facilities are secured as follows:

Collateral: ASSOCIATION FOR WATER AND RURAL DEVELOPMENT  
Cession of own investment – Limited – 2014/10/17 R 25 000

**4. Property, plant and equipment**

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	584 861	(228 851)	356 010	583 917	(117 471)	466 446
Motor vehicles	1 781 750	(1 123 888)	657 862	1 420 606	(913 626)	506 980
IT equipment	864 045	(619 818)	244 227	820 608	(447 447)	373 161
<b>Total</b>	<b>3 230 656</b>	<b>(1 972 557)</b>	<b>1 258 099</b>	<b>2 825 131</b>	<b>(1 478 544)</b>	<b>1 346 587</b>

**Reconciliation of property, plant and equipment - 2017**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	466 446	2 495	-	(112 931)	356 010
Motor vehicles	506 980	473 974	(65 818)	(257 274)	657 862
IT equipment	373 161	61 830	-	(190 764)	244 227
	<b>1 346 587</b>	<b>538 299</b>	<b>(65 818)</b>	<b>(560 969)</b>	<b>1 258 099</b>

**Reconciliation of property, plant and equipment - 2016**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	145 422	387 649	(5 600)	(61 025)	466 446
Motor vehicles	763 121	-	-	(256 141)	506 980
IT equipment	197 339	330 974	(2 997)	(152 155)	373 161
	<b>1 105 882</b>	<b>718 623</b>	<b>(8 597)</b>	<b>(469 321)</b>	<b>1 346 587</b>

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	2017 R	2016 R
<b>5. Accrued / (Deferred) Income</b>		
Deferred income comprises grants received in advance of the period to which they relate and in advance of actual expenditure being incurred.		
Accrued income	2 842 866	3 352 051
Deferred income	(25 566)	(412 248)
	<u>2 817 300</u>	<u>2 939 803</u>
Grants received during the financial year:		
<b>Funds were received from the following main donors / counter parties:</b>		
USAID	28 253 751	21 575 060
DKA Austria	-	193 331
SANBI: Groen Sebenza	-	14 199
Other business development	-	4 601
	<u>28 253 751</u>	<u>21 787 191</u>
<b>6. Trade and other payables</b>		
Trade payables	76 039	16 320
Bonus accrual	510 260	548 989
Sundry accruals	194 641	1 375 025
Provision for leave pay	429 474	474 617
Provision for severance pay	396 575	445 434
	<u>1 606 989</u>	<u>2 860 385</u>
<b>7. Revenue</b>		
Rendering of services	376 936	226 470
Donations received	27 744 566	24 252 796
	<u>28 121 502</u>	<u>24 479 266</u>
<b>8. Other income</b>		
Sundry income	13 913	17 844
Insurance claims received	-	14 209
	<u>13 913</u>	<u>32 053</u>

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	2017 R	2016 R
<b>9. Expenses by nature</b>		
Employee costs	10 551 381	10 394 554
Consulting and professional fees	3 441 398	6 217 005
Travel - local	1 484 591	2 081 934
Depreciation	560 969	469 321
Grant milestones	6 903 833	139 952
Lease rentals on operating lease	978 060	753 420
Other expenses	2 743 774	3 012 318
<b>Total cost of operating expenses</b>	<b><u>26 664 006</u></b>	<b><u>23 068 504</u></b>
<b>10. Investment revenue</b>		
<b>Interest income</b>		
Bank	89 647	66 795
	<u>89 647</u>	<u>66 795</u>
<b>11. Taxation</b>		
This company is registered as a Public Benefit Organisation (PBO) and is therefore exempt from paying taxes. It has the following PBO registration number: 18/11/132652.		
<b>12. Auditor's remuneration</b>		
Fees - donor funded projects	146 157	186 345
Fees - statutory audit	-	34 350
Other services / Under provision prior year	3 185	47 115
	<u>149 342</u>	<u>267 810</u>
<b>13. Cash generated from operations</b>		
Surplus before taxation	1 561 056	1 509 610
<b>Adjustments for:</b>		
Depreciation and amortisation	560 969	469 321
Profit on disposal of asset	14 401	-
Investment revenue	(89 647)	(66 795)
<b>Changes in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(133 934)	75 853
(Increase)/Decrease in accrued income	509 185	(2 677 736)
(Decrease)/Increase in trade and other payables	(1 253 396)	1 670 936
(Decrease)/Increase in deferred income	(386 682)	(24 488)
	<u>781 952</u>	<u>956 701</u>

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**Notes to the Annual Financial Statements**

	2017 R	2016 R
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**14. Related parties**

**Related party transactions**

There were no related party transactions during the year under review.

**Remuneration paid to key management personnel**

Key management personnel

	3 222 830	2 764 023
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**15. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**16. Reserves**

The company's reserves consists of the following:

RESILIM Capital Fund: RESILIM Project Captilisation of infrastructure and other assets.

**17. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would have a material impact on these annual financial statements.

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**Statement of Financial Performance**

	Notes	2017 R	2016 R
<b>Revenue</b>			
Rendering of services		376 936	226 470
Donation income		27 744 566	24 252 796
	7	<u>28 121 502</u>	<u>24 479 266</u>
<b>Other income</b>			
Sundry income		13 913	17 844
Insurance claim received		-	14 209
Investment revenue	10	89 647	66 795
		<u>103 560</u>	<u>98 848</u>
<b>Expenses (Refer to page 22)</b>		<b>(26 664 006)</b>	<b>(23 068 504)</b>
<b>Surplus for the year</b>		<u><b>1 561 056</b></u>	<u><b>1 509 610</b></u>

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**Statement of Financial Performance**

	Notes	2017 R	2016 R
<b>Operating expenses</b>			
Accounting fees		7 700	5 521
Advertising		8 014	39 695
Assistant and intern expenses		881 498	602 434
Auditor's remuneration	12	149 342	267 810
Bad debts		8 750	23 096
Bank charges		39 875	40 979
Capacity development		211 598	296 088
Communication expenses		3 203	3 492
Computer expenses		47 908	63 101
Consulting and professional fees		3 441 398	6 217 005
Consumables		88 431	102 745
Depreciation		560 969	469 321
Donations		-	150
Employee costs		10 551 381	10 394 554
Entertainment		1 567	4 810
Grant milestones		6 903 833	139 952
Hire		24 788	6 339
Insurance		162 967	129 028
Lease rentals on operating lease		978 060	753 420
Legal expenses		39 904	7 913
Materials		64 934	60 362
Motor vehicle expenses		219 302	222 828
Office establishment		3 901	128 051
Other expenses		-	8 597
Penalties		3 102	-
Postage		4 902	6 834
Printing and stationery		64 768	130 524
Profit and loss on sale of assets and liabilities		14 401	-
Repairs and maintenance		72 046	179 446
Security		7 210	15 497
Staff welfare		183 623	200 918
Subscriptions		16 990	31 149
Telephone and fax		131 123	122 625
Travel - local		1 484 591	2 081 934
Utilities		68 256	53 431
Workshops		213 671	258 855
		<b>26 664 006</b>	<b>23 068 504</b>