

**FOOD & TREES FOR AFRICA (NPC)**  
(REGISTRATION NUMBER 1991/001061/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## GENERAL INFORMATION

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Food & Trees for Africa is a social environmental enterprise that realises sustainable development through greening, climate change action, sustainable natural resource management, permaculture food security programmes, bamboo and organic farming.
<b>Directors</b>	NP Mahanyele (Chairman) MBP Edwards IM Feldman J Limson JM Mahlangu D Mncube T Visser C Wild (Executive Director)
<b>Registered office</b>	94 Bessemer Street Wendywood Sandton 2090
<b>Postal address</b>	P O Box 2035 Gallo Manor 2052
<b>Bankers</b>	Nedbank Limited
<b>Auditor's</b>	Grant Thornton Johannesburg Partnership Chartered Accountants (S.A.) Registered Auditors A South African member of Grant Thornton International Limited
<b>Secretary</b>	MBP Edwards
<b>Company registration number</b>	1991/001061/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were prepared under the supervision of: C Wild - Executive Director

# **FOOD & TREES FOR AFRICA (NPC)**

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

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The reports and statements set out below comprise the annual financial statements presented to the board of directors:

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## **FOOD & TREES FOR AFRICA (NPC)**

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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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 the Companies Act, 71 of 2008 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.

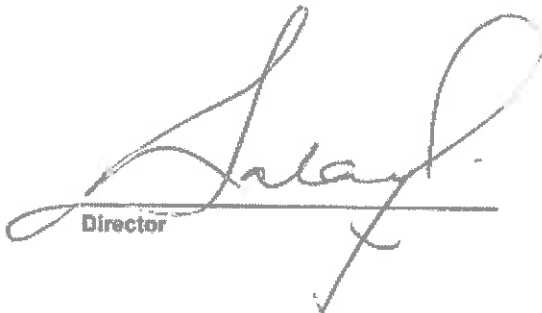
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

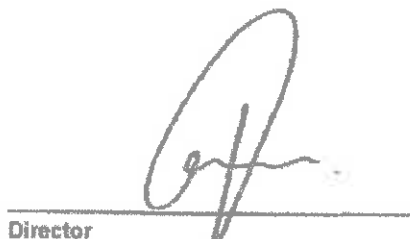
The directors have reviewed the company's cash flow forecast for the year to 30 September 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors 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 auditors and their report is presented on page 4.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis and the directors' report on pages 6 to 7, were approved by the board of directors on 16 November 2017 and were signed on their behalf by:

#### **Approval of financial statements**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Independent Auditor's Report**  
**To the directors of**  
**Food & Trees for Africa NPC**

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**Opinion**

We have audited the financial statements Food & Trees for Africa NPC set out on pages 8 to 18, which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Food & Trees for Africa NPC as at 30 September 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on page 19. The other information does not include the financial statements and our auditor's report thereon.

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 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.

**Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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 the 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.



## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## **GRANT THORNTON**

Registered Auditors  
Practice Number: 903485E

**G C Smith**  
Partner  
Registered Auditor  
Chartered Accountant (SA)

16 November 2017

@Grant Thornton  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## DIRECTORS' REPORT

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The directors have pleasure in submitting their report on the annual financial statements of Food & Trees for Africa (NPC) for the year ended 30 September 2017.

### 1. Nature of business

Food and Trees for Africa NPC (FTFA) remains one of South Africa's leading Non-Profit social enterprises and continues to pursue our founding purpose of promoting: food security; urban greening; environmental conservation; skills and education and environmental awareness.

Our programmes continue to adapt in order to address the ever-changing socio-political landscape and the needs to the historically disadvantaged communities we were created to serve.

### 2. Operational review 2016/2017

The annual financial statements have been prepared in accordance with 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 financial statements are representative of our three-year strategy to improve ratios and stabilise cash flow. It would be very hard to justify further reductions in operating expenditure, especially in the context of our recent growth. We are very happy with the current levels of control and oversight and plan on continuing to push the boundary in this regard.

You will note that the organisation has produced a third consecutive year of surplus and has increased the total amount of cash. Unfortunately, income received in advance is nothing to get excited about and is required to meet commitments and obligations to our beneficiaries in the next financial year.

In other words, please don't think that FTFA has wavered on our commitment to donors and beneficiaries. We were lucky this year with Other Income (eg. Estate late donations, pro bono services, historical bad debts etc.), and otherwise may have been a lot closer to zero, if not in negative territory.

#### Trading environment

The general non-profit/donations environment continues to be tough and competitive. The sector is directly affected by levels of disposable income and growth/reduction in the economic activity. Furthermore, economic uncertainty detracts the pool of possible donations as companies/individuals would rather retain cash, they would have otherwise been generous with. However, there is still so much good work to do and we are so thankful to those who recognise this and help us make a positive difference to our beloved country.

#### Pushing the boundaries of impact

With the success of the back-to-basics strategy implemented over the last two years, the organisation has (finally) had the space to reflect and focus on additional areas relevant to operational efficiency and impact. We were able to review and improve on our programme methodologies –most notably our assessment criteria, exit planning methodology and monitoring and evaluation framework. Even though Food & Trees for Africa already has a high project success rate, we want to push the boundaries on the definition of success and social impact metrics. Already yielding exceptional results, we plan to change the benchmarks of how people measure the success of development interventions, both locally and globally.

#### Future outlook

The directors remain happy with the continued, positive change in momentum. What is important for the future is that FTFA capitalises on this by continuing to push the boundaries of social development, monitoring and evaluation and impact in South Africa. We will always make decisions through the lens of social justice and improving the lives of our beneficiaries and particularly the historically disadvantaged communities we exist to serve.

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## DIRECTORS' REPORT

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### 3. Events after the reporting period

The directors are not aware of any material events or changes in circumstance between financial year end to the date of this report, which would require adjustments to the annual financial statements.

### 4. Directors

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

#### Directors

NP Mahanyele (Chairman)

MBP Edwards

IM Feldman

J Limson

JM Mahlangu

D Mncube

T Visser

C Wild (Executive Director)

There have been no changes to the directorate for the period under review.

### 5. Going concern

We draw attention to the fact that at 30 September 2017, the company had accumulated surplus of R 5 232 846 and that the company's total assets exceed its liabilities by R 5 259 475. The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

General trading conditions in South Africa over 2016/2017 period have been tougher than usual. The sluggish global economy, combined with a slower South African economy led to companies tightening their belts over this period. As a non-profit / public benefit organisation, the organisation relies on companies' generosity and donations. Adaptation; innovation; and efficiency have been key to sustaining the organisation over this period. The financial statements by-in-large illustrate a back-to-basics approach with a strong reduction in expenses coupled with better ratios and maintenance of revenue. Whilst there was a sharp contraction in the pool of funding available to non-profits, FTFA NPC continued with successful and meaningful operations. This was achieved through adapting the programmes to fulfil company compliance needs and implementing stricter internal systems and controls.

### 6. Auditors

The directors recommend that Grant Thornton Johannesburg Partnership continue in office as auditors in accordance with section 90 of the Companies Act of South Africa, and they have accepted this appointment. As per policy reappointment would take place at the AGM.

### 7. Liability of members

Food and Trees for Africa NPC is a company incorporated without share capital and therefore the contingent liability of each member is limited to R1, repayable in the event of the company being wound up.



# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Notes	2017 R	2016 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	2 483 767	2 554 198
<b>Current Assets</b>			
Trade and other receivables	3	2 091 071	769 230
Cash and cash equivalents	4	9 386 830	4 130 892
		<b>11 477 901</b>	<b>4 900 122</b>
<b>Total Assets</b>		<b>13 961 668</b>	<b>7 454 320</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Pre-incorporation surplus		26 629	26 629
Accumulated surplus		5 232 846	4 022 360
		<b>5 259 475</b>	<b>4 048 989</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	1 106 778	1 034 930
Income received in advance	6	7 595 415	2 370 401
		<b>8 702 193</b>	<b>3 405 331</b>
<b>Total Equity and Liabilities</b>		<b>13 961 668</b>	<b>7 454 320</b>

## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### STATEMENT OF COMPREHENSIVE INCOME

	Notes	2017 R	2016 R
Revenue	7	16 386 157	14 705 488
Other income		1 595 359	403 939
Operating expenses		(17 092 434)	(15 038 397)
<b>Operating surplus</b>	8	<b>889 082</b>	<b>71 030</b>
Investment revenue	9	321 404	120 784
<b>Surplus for the year</b>		<b>1 210 486</b>	<b>191 814</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1 210 486</b>	<b>191 814</b>

## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

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### STATEMENT OF CHANGES IN EQUITY

	Pre- Incorporation surplus R	Accumulated surplus R	Total equity R
<b>Balance at 1 October 2015</b>	<b>26 629</b>	<b>3 830 546</b>	<b>3 857 175</b>
Surplus for the year	-	191 814	191 814
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>191 814</b>	<b>191 814</b>
Opening balance as previously reported	26 629	3 862 894	3 889 523
Adjustments			
Prior period error	-	159 466	159 466
<b>Balance at 1 October 2016 as restated</b>	<b>26 629</b>	<b>4 022 360</b>	<b>4 048 989</b>
Surplus for the year	-	1 210 486	1 210 486
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 210 486</b>	<b>1 210 486</b>
<b>Balance at 30 September 2017</b>	<b>26 629</b>	<b>5 232 846</b>	<b>5 259 475</b>

## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### STATEMENT OF CASH FLOWS

	Notes	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	11	(186 615)	2 003 559
Investment income		321 404	120 784
<b>Net cash from operating activities</b>		<b>134 789</b>	<b>2 124 343</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(96 177)	(7 979)
Proceeds on sale of property, plant and equipment	2	(7 688)	20 000
<b>Net cash from investing activities</b>		<b>(103 865)</b>	<b>12 021</b>
<b>Cash flows from financing activities</b>			
Movement in income received in advance		5 225 014	1 843 804
<b>Total cash movement for the year</b>		<b>5 255 938</b>	<b>3 980 168</b>
Cash at the beginning of the year		4 130 892	150 724
<b>Total cash at end of the year</b>	4	<b>9 386 830</b>	<b>4 130 892</b>

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## ACCOUNTING POLICIES

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### 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 Property, plant and equipment

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

Cost include costs 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.

Depreciation 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 as follows:

Item	Depreciation method	Average useful life
Buildings - structure	Straight line	50 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3 years
Office equipment	Straight line	10 years

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

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.

#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# **FOOD & TREES FOR AFRICA (NPC)**

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## **ACCOUNTING POLICIES**

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### **1.3 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### **Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### **1.4 Impairment of assets**

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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.

### **1.5 Revenue**

Donations received for specific projects are not recognised as income until the amounts have been expended.

Income is brought into account when it is probable that future economic benefits will flow to the company.

Revenue is recognised on the accrual basis in accordance with the substance of the relevant agreements.

### **1.6 Borrowing costs**

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

### **1.7 Non-distributable reserves**

The Association is registered under the Companies Act, as a company limited by guarantee and as such no part of its income and assets shall be transferred to members, directly or indirectly. All reserves of the association are therefore non-distributable.

## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	2 057 940	(363 569)	1 694 371	2 057 940	(322 410)	1 735 530
Land	685 980	-	685 980	685 980	-	685 980
Computer equipment	177 767	(74 532)	103 235	422 060	(414 081)	7 979
Furniture and equipment	283 523	(283 343)	180	182 462	(136 568)	45 894
Motor Vehicles	66 328	(66 327)	1	852 399	(852 399)	-
Office equipment	-	-	-	379 836	(301 021)	78 815
<b>Total</b>	<b>3 271 538</b>	<b>(787 771)</b>	<b>2 483 767</b>	<b>4 580 677</b>	<b>(2 026 479)</b>	<b>2 554 198</b>

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

	Opening balance	Additions	Other changes	Depreciation	Total
Buildings	1 735 530	-	-	(41 159)	1 694 371
Land	685 980	-	-	-	685 980
Computer equipment	7 979	96 177	23 228	(24 149)	103 235
Furniture and equipment	45 894	-	(45 714)	-	180
Motor Vehicles	-	-	-	1	1
Office equipment	78 815	-	(70 055)	(8 760)	-
	<b>2 554 198</b>	<b>96 177</b>	<b>(92 541)</b>	<b>(74 067)</b>	<b>2 483 767</b>

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

	Opening balance	Additions	Depreciation	Total
Buildings	1 646 577	-	88 953	1 735 530
Land	685 980	-	-	685 980
Computer Equipment	63 216	7 979	(63 216)	7 979
Furniture and fixtures	50 994	-	(5 100)	45 894
Office equipment	87 575	-	(8 760)	78 815
	<b>2 534 342</b>	<b>7 979</b>	<b>11 877</b>	<b>2 554 198</b>

#### Details of properties

The property is described as Portion 0, Erf 398 in the Township of Wendywood City of Johannesburg, situated in registration division IR, Gauteng and is held under title deed number T78263/2009.

## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R
<b>3. Trade and other receivables</b>		
Trade receivables	1 893 910	730 096
Other	297 298	-
Provision for bad debts	(297 298)	-
Other receivables	3 000	23 000
Prepayments and deposits	133 673	-
Staff loans	-	16 134
VAT	60 488	-
	<b>2 091 071</b>	<b>769 230</b>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	12 627	32 283
Bank balances	9 374 203	4 098 609
	<b>9 386 830</b>	<b>4 130 892</b>
<b>5. Trade and other payables</b>		
Trade payables	411 780	237 688
Value added taxation	-	348 261
Bonus provision	534 317	274 804
Leave pay provision	160 681	174 177
	<b>1 106 778</b>	<b>1 034 930</b>
<b>6. Income received in advance</b>		
The following is a summary of the income received in advance on projects.		
Food Gardens	3 583 790	460 000
EduPlant	1 821 000	705 000
Trees for All	1 079 395	-
African Climate Reality	-	431 007
Trees for Homes	1 032 430	736 675
Farmer Eco Enterprise Development	-	37 719
Other amounts received in advance	78 800	-
	<b>7 595 415</b>	<b>2 370 401</b>



## FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R
<b>7. Revenue</b>		
Total revenue	16 386 157	14 705 488
<b>Revenue reconciliation</b>		
Donations received/receivable	21 611 171	16 933 233
Prior year income received in advance	2 370 401	526 595
Current year income received in advance	(7 595 415)	(2 370 401)
	<u>16 386 157</u>	<u>15 089 427</u>
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Loss (profit) on sale of property, plant and equipment	7 688	(20 000)
Depreciation on property, plant and equipment	74 067	(11 877)
Employee costs	3 724 591	3 112 389
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	321 404	120 784
<b>10. Taxation</b>		

No provision for income tax has been made as the company was granted exemption from liability for income tax in terms of Section 10(1) of the Income Tax Act, as amended.

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R
<b>11. Cash (used in) generated from operations</b>		
Surplus before taxation	1 210 486	191 814
<b>Adjustments for:</b>		
Depreciation and amortisation	74 067	(11 877)
Loss (profit) on disposal of property, plant and equipment	7 688	(20 000)
Interest received	(321 404)	(120 784)
Assets written off	92 541	-
<b>Changes in working capital:</b>		
Trade and other receivables	(1 321 841)	1 649 090
Trade and other payables	71 848	315 316
	<b>(186 615)</b>	<b>2 003 559</b>
<b>12. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
1 year	328 687	329 919
2-3 years	450 308	255 731
	<b>778 995</b>	<b>585 650</b>
Operating lease payments represent rentals payable by the company for motor vehicles, PABX and multi-function printer.		
<b>13. Related parties</b>		
<b>Related party transactions</b>		
<b>Compensation to directors and other key management</b>		
Remuneration	765 574	740 737
<b>14. Prior period errors</b>		
Correction of depreciation wrongly calculated.		
The correction of the error results in adjustments as follows:		
<b>Statement of Financial Position</b>		
Property, plant and equipment	-	159 464
<b>Profit or Loss</b>		
Depreciation expense	-	(159 464)

# **FOOD & TREES FOR AFRICA (NPC)**

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## **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

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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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is the continued support of the company's donors. Refer to the Directors report regarding the going concern.

# FOOD & TREES FOR AFRICA (NPC)

(Registration number 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2017

## DETAILED INCOME STATEMENT

	Notes	2017 R	2016 R
<b>Revenue</b>			
Donations		16 386 157	14 705 488
<b>Other income</b>			
VAT refund		870 570	-
Sundry income		724 789	383 939
Interest received	9	321 404	120 784
Profit on disposal of property, plant and equipment		-	20 000
		<b>1 916 763</b>	<b>524 723</b>
<b>Operating expenses</b>			
Accounting fees		(39 584)	(202 750)
Advertising		(185 856)	(55 358)
Bad debts		(297 298)	(27 586)
Bank charges		(31 889)	(31 774)
Beneficiary training and learnerships		(1 452 849)	(2 282 806)
Computer expenses		(144 826)	(148 836)
Consulting and professional fees		(26 144)	(97 818)
Depreciation		(74 067)	11 877
Donations		-	(2 700)
Fines and penalties		-	(41 029)
Insurance		(99 621)	(115 744)
Legal expenses		(37 076)	(46 830)
Loss on sale of assets and liabilities		(7 688)	-
Motor vehicle expenses		(25 844)	(127 870)
Printing and stationery		(30 956)	(71 392)
Project development expenses		(10 530 350)	(8 254 718)
Repairs and maintenance		(102 996)	(101 695)
Salaries		(3 724 591)	(3 112 389)
Security		(16 563)	(25 759)
Telephone and fax		(42 595)	(90 418)
Training		(126 685)	(105 801)
Travel - local		(44 997)	(27 484)
Utilities		(49 959)	(79 517)
		<b>(17 092 434)</b>	<b>(15 038 397)</b>
<b>Surplus for the year</b>		<b>1 210 486</b>	<b>191 814</b>