

FOOD & TREES FOR AFRICA (NPC)
(REGISTRATION NUMBER 1991/001061/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

Food & Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2018

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	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.
Directors	NP Mahanyele (Chairman) MBP Edwards IM Feldman J Limson JM Mahlangu D Mncube T Visser C Wild (Executive Director)
Registered office	94 Bessemer Street Wendywood Sandton 2090
Postal address	P O Box 2035 Gallo Manor 2052
Bankers	Nedbank Limited
Auditors	Grant Thornton Johannesburg Partnership Chartered Accountants (SA) Registered Auditors A South African member of Grant Thornton International Limited
Secretary	MBP Edwards
Company registration number	1991/001061/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were prepared under the supervision of: C Wild - Executive Director

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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 auditors are 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 30 September 2019 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.

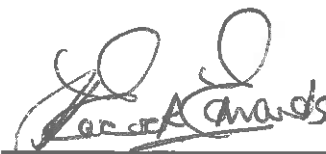
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 8 to 18, 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 20 November 2018 and were signed on its behalf by:

Approval of annual financial statements



Director



Director



Independent Auditor's Report To the directors of Food and Trees for Africa (NPC)

Opinion

We have audited the financial statements of Food and Trees for Africa (NPC) set out on pages 8 to 17, which comprise the statement of financial position as at 30 September 2018, 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 and Trees for Africa (NPC) as at 30 September 2018, 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.

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 18. 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 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 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

GC Smith
Partner
Registered Auditor

20 November 2018

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

Food & Trees for Africa (NPC)

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Annual Financial Statements for the year ended 30 September 2018

DIRECTORS' REPORT

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 2018.

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.

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

2. Operational review 2017/2018

The financial statements are representative of a continued trend in revenue growth, combined with stable ratios and better cash flow management. It is now abundantly clear that the back-to-basics strategy approved by the Board of Directors in 2015 is bearing fruit. It is also worth noting that, in addition to pleasant financials, the directors are happy about the ethics-based organisational culture which has developed within the team.

In respect of the bottom line, members will note the significant reduction in surplus compared to the 2017 financial year. In the context of a 37% increase in revenue, there is no correlation between this and a reduction in efficiency. In fact, quite the opposite. We were lucky last year with, "other income, without which we have been pushed into negative territory.

Stakeholders will also note that the total amount of cash has remained stable. As with previous years, we draw attention to the income received in advance figure. Please note while this has increased by approximately 62.9% year-on-year, this is nothing to get excited about. The majority of this money is already committed and in the case of the EduPlant Finals and European Union Projects, there is little to no revenue due to FTFA.

Impact

FTFA was created for the benefit of South Africa and the environment. We measure ourselves by our impact and these are the figures you don't see in the financials. To say that we are pushing the boundaries of impact would be an understatement. In the last decade, the development landscape, in itself, has dramatically changed towards a focus on impact and yet, even within this context, we believe that FTFA remains one of the top tier organisations in the space.

Research and development

It would be a missed opportunity if FTFA did not leverage our core competency of knowledge and experience to realise a sustained advantage in the space. In this regard we will be aggressively pursuing R&D focusing on technologies appropriate to South African food security and reforestation. Watch this space.

Education foundation

In many ways, education forms a core of everything we do. During the financial year, the directors resolved to start an Educational Foundation aimed predominantly at youth and women in food security and environment. In the greater context of the South African landscape, we felt that, in a number of ways, this space is underserved and we are hoping this foundation can play a big part in the countries' food sovereignty.

Future outlook

If the general trading environment remains similarly tough and competitive, our ability to raise donations will rely on our adaptive capacity and innovation. Regardless of sector, if a non-profit is to thrive, they have to look at diversifying revenue streams and offering additional services and products. FTFA is certainly looking at such options and, along with technologies, may look at creating value propositions outside of the non-profit sector.

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DIRECTORS' REPORT

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 2018, the company had accumulated surplus of R 5 346 715 and that the company's total assets exceed its liabilities by R 5 373 344. 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 2017/2018 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.

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STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Notes	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 608 340	2 483 767
Current Assets			
Trade and other receivables	3	2 456 137	2 091 071
Cash and cash equivalents	4	15 643 226	9 386 830
		18 099 363	11 477 901
Total Assets		20 707 703	13 961 668
Equity and Liabilities			
Equity			
Pre-incorporation surplus		26 629	26 629
Accumulated surplus		5 346 715	5 232 846
		5 373 344	5 259 475
Liabilities			
Current Liabilities			
Trade and other payables	5	2 964 423	1 106 778
Income received in advance	6	12 369 936	7 595 415
		15 334 359	8 702 193
Total Equity and Liabilities		20 707 703	13 961 668

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018 R	2017 R
Revenue	7	22 385 662	16 386 157
Other income		633 782	1 595 359
Operating expenses		(23 779 535)	(17 092 434)
Operating surplus	8	(760 091)	889 082
Investment revenue	9	873 960	321 404
Surplus for the year		113 869	1 210 486
Other comprehensive income		-	-
Total comprehensive income for the year		113 869	1 210 486

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STATEMENT OF CHANGES IN EQUITY

	Pre- Incorporation surplus R	Accumulated surplus R	Total equity R
Balance at 1 October 2016	26 629	4 022 360	4 048 989
Surplus for the year	-	1 210 486	1 210 486
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 210 486	1 210 486
Balance at 1 October 2017	26 629	5 232 846	5 259 475
Surplus for the year	-	113 869	113 869
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	113 869	113 869
Balance at 30 September 2018	26 629	5 346 715	5 373 344

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STATEMENT OF CASH FLOWS

	Notes	2018 R	2017 R
Cash flows from operating activities			
Cash generated from (used in) operations	11	835 757	(186 615)
Interest revenue		873 960	321 404
Net cash from operating activities		1 709 717	134 789
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(227 842)	(96 177)
Proceeds on sale of property, plant and equipment	2	-	(7 688)
Net cash from investing activities		(227 842)	(103 865)
Cash flows from financing activities			
Movement in income received in advance		4 774 521	5 225 014
Total cash movement for the year		6 256 396	5 255 938
Cash at the beginning of the year		9 386 830	4 130 892
Total cash at end of the year	4	15 643 226	9 386 830

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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 Property, plant and equipment

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

Cost includes 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 equipment	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 Intangible assets

Research and development costs are recognised as an expense in the period incurred.

1.3 Financial instruments

Initial measurement

Financial instruments consisting of trade and other receivables, cash and cash equivalents, trade and other payables and income received in advance 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.

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ACCOUNTING POLICIES

1.4 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.

1.5 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.

1.6 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.

Interest is recognised, in profit or loss, using the effective interest rate method.

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	2 057 940	(404 729)	1 653 211	2 057 940	(363 569)	1 694 371
Computer equipment	402 158	(136 288)	265 870	177 767	(74 532)	103 235
Furniture and equipment	286 973	(283 694)	3 279	283 523	(283 343)	180
Land	685 980	-	685 980	685 980	-	685 980
Motor Vehicles	-	-	-	66 328	(66 327)	1
Total	3 433 051	(824 711)	2 608 340	3 271 538	(787 771)	2 483 767

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Buildings	1 694 371	-	(41 160)	1 653 211
Computer equipment	103 235	224 391	(61 756)	265 870
Furniture and equipment	180	3 451	(352)	3 279
Land	685 980	-	-	685 980
Motor Vehicles	1	-	(1)	-
	2 483 767	227 842	(103 269)	2 608 340

Reconciliation of property, plant and equipment - 2017

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

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2018 R	2017 R
3. Trade and other receivables		
Trade receivables	1 243 272	1 893 910
Other	-	297 298
Provision for bad debts	-	(297 298)
Other receivables	158 330	3 000
Prepayments and deposits	766 326	133 673
Staff loans	30 086	-
VAT	258 123	60 488
	2 456 137	2 091 071
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	6 939	12 627
Bank balances	15 636 287	9 374 203
	15 643 226	9 386 830
Included in the bank balance is R1 million which has been allocated towards the education foundation (refer to directors report and note 5).		
5. Trade and other payables		
Trade payables	713 476	411 780
Leave pay provision	208 761	160 681
Bonus provision	631 418	534 317
Accruals	410 768	-
Allocated to education foundation	1 000 000	-
	2 964 423	1 106 778
6. Income received in advance		
The following is a summary of the income received in advance on projects.		
Action 24 (EU Project)	1 293 460	-
African Climate Reality	247 261	-
Carbon Project	1 798 627	-
EduPlant	2 147 676	1 821 000
Food Gardens	5 970 419	3 583 790
Other amounts received in advance	-	78 800
Trees for All	732 202	1 079 395
Trees for Homes	180 291	1 032 430
	12 369 936	7 595 415

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2018 R	2017 R
7. Revenue		
Donations	22 385 662	16 386 157
Revenue reconciliation		
Donations received/receivable	27 160 183	21 611 171
Prior year income received in advance	7 595 415	2 370 401
Current year income received in advance (note 6)	(12 369 936)	(7 595 415)
	22 385 662	16 386 157
8. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Profit (loss) on disposal of property, plant and equipment	30 000	(7 688)
Depreciation on property, plant and equipment	103 269	74 067
Employee costs	5 381 230	3 724 591
Research and development costs	551 649	-
9. Investment revenue		
Interest revenue		
Bank	873 960	321 404
10. Taxation		

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2018 R	2017 R
11. Cash generated from (used in) operations		
Surplus before taxation	113 869	1 210 486
Adjustments for:		
Depreciation	103 269	74 067
(Profit) loss on disposal of property, plant and equipment	(30 000)	7 688
Interest revenue	(873 960)	(321 404)
Assets written off	-	92 541
Changes in working capital:		
Trade and other receivables	(335 066)	(1 321 841)
Trade and other payables	1 857 645	71 848
	835 757	(186 615)

12. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

1 year	420 943	328 687
2-3 years	450 421	450 308
	871 364	778 995

Operating lease payments represent rentals payable by the company for motor vehicles, PABX and multi-function printer.

13. Related parties

Related party transactions

Compensation to directors and other key management

Remuneration	1 082 776	765 574
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No remuneration is paid to the non-executive directors.

14. 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.

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DETAILED INCOME STATEMENT

	Notes	2018 R	2017 R
Revenue			
Donations		22 385 662	16 386 157
Other income			
VAT refund		-	870 570
Sundry income		603 782	724 789
Interest revenue	9	873 960	321 404
Profit on disposal of property, plant and equipment		30 000	-
		1 507 742	1 916 763
Operating expenses			
Accounting fees		(46 890)	(39 584)
Advertising		(252 803)	(185 856)
Bad debts		-	(297 298)
Bank charges		(28 372)	(31 889)
Beneficiary training and learnerships		(1 347 713)	(1 452 849)
Computer expenses		(227 054)	(144 826)
Consulting and professional fees		(99 430)	(26 144)
Depreciation		(103 269)	(74 067)
Fines and penalties		(7 250)	-
Insurance		(112 049)	(99 621)
Legal expenses		(8 405)	(37 076)
Loss on disposal of property, plant and equipment		-	(7 688)
Motor vehicle expenses		(52 249)	(25 844)
Printing and stationery		(85 321)	(30 956)
Project development expenses		(14 714 663)	(10 530 350)
Repairs and maintenance		(162 718)	(102 996)
Research and development costs		(551 649)	-
Salaries		(5 381 230)	(3 724 591)
Security		(12 003)	(16 563)
Telephone and fax		(84 776)	(42 595)
Training		(223 894)	(126 685)
Travel - local		(227 291)	(44 997)
Utilities		(50 506)	(49 959)
		(23 779 535)	(17 092 434)
Surplus for the year		113 869	1 210 486