

**FOOD AND TREES FOR AFRICA (NPC)**  
(REGISTRATION NUMBER 1991/001061/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019

# Food and Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

## GENERAL INFORMATION

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Food and 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 JL Limson JMF Mahlangu DM Mncube TG Visser CE 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>Auditors</b>	Attest it Inc. Chartered Accountants (SA) Registered Auditors
<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: CE Wild - Executive Director

# Food and Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

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## Food and Trees for Africa (NPC)

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### 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 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.

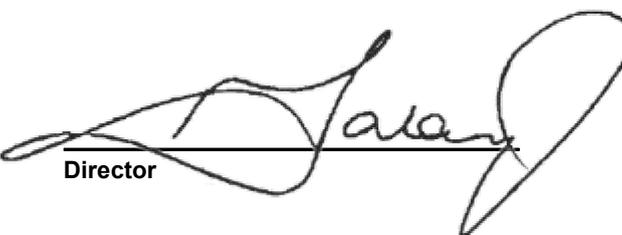
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2020 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 9 to 20, which have been prepared on the going concern basis and the directors' report on pages 6 to 8, were approved by the board of directors on 27 February 2020 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

*To the Directors of Food and Trees for Africa NPC*

## **Report on the Audit of the Annual Financial Statements**

### *Opinion*

We have audited the annual financial statements of Food and Trees for Africa NPC (the company) set out on pages 9 to 20, which comprise the statement of financial position as at 30 September 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 information included in the document titled "Food and Trees for Africa NPC Annual Financial Statements for the year ended 30 September 2019", which includes the Directors' Report as required by the Companies Act of South Africa and the Detailed Income Statement included on page XX. The other information does not include the consolidated or the financial statements and our auditor's reports 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 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.

### *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.

A handwritten signature in black ink, appearing to read 'Pieter Hoogwerf'.

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Pieter Hoogwerf  
Director  
Registered Auditor  
27 February 2020

44 Wild Pear Avenue  
Dowerglen  
1609

# Food and Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

## DIRECTORS' REPORT

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The directors have pleasure in submitting their report on the annual financial statements of Food and Trees for Africa (NPC) for the year ended 30 September 2019.

### 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 2018/2019

The financial year ending September 2019 saw a marginal increase in donations revenue of approximately 12%. Our members should know that, given the current funding environment, and taking into account year-on-year inflation, how hard the team worked to achieve this. It is worth noting that the emphasis on organisational culture, innovation and internal capacity building has also added significant value to efficiencies within the team and our projects. In respect of the bottom line, members will note that surplus remained stable compared to the 2018 financial year.

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. Again – it is important to note that our financial year end does not necessarily correlate with the financial years of our partners or projects. Income received in advance represents commitments to our beneficiaries and partners that still need to be fulfilled and therefore is nothing to get excited about. However, it does render our cash position positive and aid with the fundraising anxiety in trying times.

#### Impact

FTFA was created for the benefit of South Africa, its people and the environment. Being a Non-Profit / Public Benefit Organisation, our internal measure of success is, and always will be our impact. However, there are some challenges when quantifying the impact of what we do. For example - If we plant a tree at a school, how do we quantitatively account for the benefit to the community? Is it the shade it provides to learners on a lunch break? Perhaps we can turn to research that shows improved learner concentration, psychological health and air quality?

What we do know is that there are now numerous studies showing the multiple short and long term benefits of improved environment and nutrition, with more and more being published every day. From an organisational perspective, we are pleased that the link between nature, food security and human society is increasingly being taken more seriously. The only challenge this presents however, is that it highlights how much important work is still to be done, particularly on an urgent basis in the face of the global climate crisis.

#### Research and development

Last financial year, the Board of Directors launched a research and development (R&D) fund at FTFA in line with the aims and objectives of our mid-term strategy. We are pleased to announce that we have already made significant progress both in product and process innovations. Some of you might soon see nurseries around the country utilising bio-degradable tree bags or corporates showing donation impact data, previously thought to be close on unobtainable. When you do, think of us. And know that we will continue to innovate to improve our impact. In this regard, we will continue to aggressively pursue R&D focusing on technologies appropriate to South African food security and reforestation.

# Food and Trees for Africa (NPC)

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## DIRECTORS' REPORT

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### 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.

### 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

JL Limson

JMF Mahlangu

DM Mncube

TG Visser

CE 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 2019, the company had an accumulated surplus of R 5,513,847 and that the company's total assets exceed its liabilities by R 5,540,476. 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 2018/2019 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 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

Attest it Inc. were appointed into office as auditors in accordance with section 90 of the Companies Act of South Africa, and they have accepted this appointment.

# **Food and Trees for Africa (NPC)**

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## **DIRECTORS' REPORT**

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### **7. Liability of members**

FTFA 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 and Trees for Africa (NPC)

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Annual Financial Statements for the year ended 30 September 2019

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Notes	2019 R	2018 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	2,657,795	2,608,340
Investment in subsidiary	3	1	-
		<b>2,657,796</b>	<b>2,608,340</b>
<b>Current Assets</b>			
Trade and other receivables	4	1,611,183	2,456,137
Cash and cash equivalents	5	19,000,163	15,643,226
		<b>20,611,346</b>	<b>18,099,363</b>
<b>Total Assets</b>		<b>23,269,142</b>	<b>20,707,703</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Pre-incorporation surplus		26,629	26,629
Accumulated surplus		5,513,847	5,346,715
		<b>5,540,476</b>	<b>5,373,344</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	3,132,006	2,964,423
Income received in advance	7	14,596,660	12,369,936
		<b>17,728,666</b>	<b>15,334,359</b>
<b>Total Liabilities</b>		<b>17,728,666</b>	<b>15,334,359</b>
<b>Total Equity and Liabilities</b>		<b>23,269,142</b>	<b>20,707,703</b>

## Food and Trees for Africa (NPC)

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### STATEMENT OF COMPREHENSIVE INCOME

	Notes	2019 R	2018 R
Revenue	8	25,087,010	22,385,662
Other income		599,305	633,782
Operating expenses		(26,376,086)	(23,779,535)
<b>Operating deficit</b>	9	<b>(689,771)</b>	<b>(760,091)</b>
Investment revenue	10	856,903	873,960
<b>Profit before taxation</b>		<b>167,132</b>	<b>113,869</b>
Taxation	11	-	-
<b>Surplus for the year</b>		<b>167,132</b>	<b>113,869</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>167,132</b>	<b>113,869</b>

## Food and Trees for Africa (NPC)

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### STATEMENT OF CHANGES IN EQUITY

	Pre- Incorporation surplus R	Accumulated surplus R	Total equity R
<b>Balance at 1 October 2017</b>	<b>26,629</b>	<b>5,232,846</b>	<b>5,259,475</b>
Surplus for the year	-	113,869	113,869
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>113,869</b>	<b>113,869</b>
<b>Balance at 1 October 2018</b>	<b>26,629</b>	<b>5,346,715</b>	<b>5,373,344</b>
Surplus for the year	-	167,132	167,132
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>167,132</b>	<b>167,132</b>
<b>Balance at 30 September 2019</b>	<b>26,629</b>	<b>5,513,847</b>	<b>5,540,476</b>

## Food and Trees for Africa (NPC)

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### STATEMENT OF CASH FLOWS

	Notes	2019 R	2018 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	2,718,696	5,610,278
Interest revenue		856,903	873,960
<b>Net cash from operating activities</b>		<b>3,575,599</b>	<b>6,484,238</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(243,660)	(227,842)
Proceeds on sale of property, plant and equipment	2	24,999	-
Investment in subsidiary		(1)	-
<b>Net cash from investing activities</b>		<b>(218,662)</b>	<b>(227,842)</b>
<b>Total cash movement for the year</b>		<b>3,356,937</b>	<b>6,256,396</b>
Cash at the beginning of the year		15,643,226	9,386,830
<b>Total cash at end of the year</b>	5	<b>19,000,163</b>	<b>15,643,226</b>

# Food and Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

## 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 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:

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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

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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 Investment in subsidiary

Investment in subsidiary is measured at cost less any accumulated impairment losses.

#### 1.4 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).

# Food and Trees for Africa (NPC)

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Annual Financial Statements for the year ended 30 September 2019

## ACCOUNTING POLICIES

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### 1.4 Financial instruments (continued)

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 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 there is objective evidence, the recoverable amount is estimated and compared with the 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.

### 1.5 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.

### 1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that any assets 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.

### 1.7 Revenue

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

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

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.

# **Food and Trees for Africa (NPC)**

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

## **ACCOUNTING POLICIES**

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### **1.8 Non-distributable reserves**

The Company 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 company are therefore non-distributable.

## Food and Trees for Africa (NPC)

(Registration number: 1991/001061/08)

Annual Financial Statements for the year ended 30 September 2019

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### 2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	2,057,940	(445,888)	1,612,052	2,057,940	(404,729)	1,653,211
Computer equipment	616,080	(259,251)	356,829	402,158	(136,288)	265,870
Furniture and equipment	286,973	(284,039)	2,934	286,973	(283,694)	3,279
Land	685,980	-	685,980	685,980	-	685,980
<b>Total</b>	<b>3,646,973</b>	<b>(989,178)</b>	<b>2,657,795</b>	<b>3,433,051</b>	<b>(824,711)</b>	<b>2,608,340</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	1,653,211	-	-	(41,159)	1,612,052
Computer equipment	265,870	243,660	(21,247)	(131,454)	356,829
Furniture and equipment	3,279	-	-	(345)	2,934
Land	685,980	-	-	-	685,980
	<b>2,608,340</b>	<b>243,660</b>	<b>(21,247)</b>	<b>(172,958)</b>	<b>2,657,795</b>

#### 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)	-
	<b>2,483,767</b>	<b>227,842</b>	<b>(103,269)</b>	<b>2,608,340</b>

#### Details of properties

The property is described as 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 and Trees for Africa (NPC)

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Annual Financial Statements for the year ended 30 September 2019

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

			2019 R	2018 R
<b>3. Investment in subsidiary</b>				
Name of subsidiary	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
K2017272608 (South Africa) Proprietary Limited	100.00 %	- %	1	-

During the year the company purchased K2017272608 (South Africa) Proprietary Limited for an amount of R1. K2017272608 (South Africa) Proprietary Limited has not yet commenced trading as such the fair value of the investment is deemed to be the purchase price.

The entity is incorporated in South Africa and share the year end of the company. As the entity is dormant the cost of preparing consolidated financial statements exceeds the benefit thereof.

The carrying amount of the subsidiary is shown net of impairment losses.

#### 4. Trade and other receivables

Trade receivables	931,847	1,243,272
Other receivables	13,239	158,330
Prepayments and deposits	343,057	766,326
Staff loans	26,037	30,086
VAT	297,003	258,123
	<b>1,611,183</b>	<b>2,456,137</b>

#### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,885	6,939
Bank balances	18,996,278	15,636,287
	<b>19,000,163</b>	<b>15,643,226</b>

Included in the bank balance is R1 million which has been allocated towards the education foundation (refer to note 6).

#### 6. Trade and other payables

Trade payables	286,225	713,476
Leave pay provision	203,470	208,761
Bonus provision	762,858	631,418
Accruals	879,453	410,768
Allocated to education foundation	1,000,000	1,000,000
	<b>3,132,006</b>	<b>2,964,423</b>

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	2019 R	2018 R
<b>7. Income received in advance</b>		
The following is a summary of the income received in advance on projects.		
Action 24 (EU Project)	1,234,877	1,293,460
African Climate Reality	946,706	247,261
Carbon Project	891,902	1,798,627
EduPlant	752,732	2,147,676
Food Gardens	10,204,943	5,970,419
Trees for All	535,500	732,202
Trees for Homes	30,000	180,291
	<b>14,596,660</b>	<b>12,369,936</b>
<b>8. Revenue</b>		
Donations	25,087,010	22,385,662
<b>Revenue reconciliation</b>		
Donations received/receivable	27,313,734	27,160,183
Prior year income received in advance	12,369,936	7,595,415
Current year income received in advance (note 7)	(14,596,660)	(12,369,936)
	<b>25,087,010</b>	<b>22,385,662</b>
<b>9. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
Profit on disposal of property, plant and equipment	3,752	30,000
Depreciation on property, plant and equipment	172,958	103,269
Employee costs	5,874,961	5,381,230
Research and development costs	779,548	551,649
<b>10. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	856,903	873,960
<b>11. 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.

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2019 R	2018 R
<b>12. Cash generated from operations</b>		
Surplus before taxation	167,132	113,869
<b>Adjustments for:</b>		
Depreciation	172,958	103,269
Profit on disposal of property, plant and equipment	(3,752)	(30,000)
Interest revenue	(856,903)	(873,960)
<b>Changes in working capital:</b>		
Trade and other receivables	844,954	(335,066)
Trade and other payables	167,583	1,857,645
Income received in advance	2,226,724	4,774,521
	<b>2,718,696</b>	<b>5,610,278</b>

### 13. Commitments

#### Operating leases – as lessee (expense)

#### Minimum lease payments due

1 year	429,154	420,943
2-3 years	269,585	450,421
	<b>698,739</b>	<b>871,364</b>

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

### 14. Prior period reclassification

During the current year, it was identified that the movement in Income received in advance (IRIA) had been incorrectly classified as financing activities in the Statement of Cash Flows. The movement in IRIA does not comply with the definition of financing activities which is described as activities that result in changes in the size and composition of the contributed equity and borrowings of the entity. The following table summarise the impact on the company's Statement of Cash Flows and related note.

Impact of prior period reclassification	As previously reported	Adjustment	As reclassified
<b>Statement of Cash Flows</b>			
Cash flows from financing activities	4,774,521	(4,774,521)	-
Cash flows from operating activities	-	4,774,521	4,774,521
<b>Cash generated from operations</b>			
<b>Changes in working capital</b>			
Income received in advance	-	4,774,521	4,774,521

The reclassification does not have an impact on net profit or retained earnings.

### 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.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### 15. Going concern (continued)

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.

### 16. Directors' remuneration

#### Executive

#### 2019

	Emoluments	Bonus and performance related payments	Travel allowance	Total
CE Wild	825,565	99,220	94,349	1,019,134

#### 2018

	Emoluments	Bonus and performance related payments	Travel allowance	Total
CE Wild	764,412	245,004	73,360	1,082,776

No remuneration is paid to the non-executive directors.

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### DETAILED INCOME STATEMENT

	Notes	2019 R	2018 R
<b>Revenue</b>			
Donations		25,087,010	22,385,662
<b>Other income</b>			
Sundry income		595,553	603,782
Interest revenue	10	856,903	873,960
Profit on disposal of property, plant and equipment		3,752	30,000
		<b>1,456,208</b>	<b>1,507,742</b>
<b>Operating expenses</b>			
Accounting fees		(49,453)	(46,890)
Advertising		(210,274)	(252,803)
Bank charges		(40,862)	(28,372)
Beneficiary training and learnerships		(1,354,974)	(1,347,713)
Computer expenses		(180,083)	(227,054)
Consulting and professional fees		(82,429)	(99,430)
Depreciation		(172,958)	(103,269)
Fines and penalties		7,109	(7,250)
Insurance		(127,725)	(112,049)
Legal expenses		(352,464)	(8,405)
Motor vehicle expenses		(16,143)	(52,249)
Printing and stationery		(80,734)	(85,321)
Project development expenses		(16,303,086)	(14,714,663)
Repairs and maintenance		(189,879)	(162,718)
Research and development costs		(779,548)	(551,649)
Salaries		(5,874,961)	(5,381,230)
Security		(17,477)	(12,003)
Telephone and fax		(82,189)	(84,776)
Training		(279,449)	(223,894)
Travel - local		(121,621)	(227,291)
Utilities		(66,886)	(50,506)
		<b>(26,376,086)</b>	<b>(23,779,535)</b>
<b>Surplus for the year</b>		<b>167,132</b>	<b>113,869</b>