

**CONQUEST FOR LIFE NPC
COMPANY REG. NO: 1996/000027/08
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2015**

CONQUEST FOR LIFE NPC

COMPANY REG. NO.

: 1996/000027/08

NON PROFIT ORG. REG. NO
PUBLIC BENEFIT ORGANISATION NO
TAX EXEMPTION NO

: 005 - 415 NPO
: 930 003 994
: RG/0243/08/04

HEAD OFFICE

: 2nd Floor
21 Price Street
Newclare
2093

BOARD OF DIRECTORS

: S. Cooper (Chairperson)
H. G. Steyn (C.E.O.)
B. M. S. Munnik (Treasurer)
C. Flemming
T. Meyer
C. Reimers
S. Bhala

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

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INDEPENDENT REVIEWERS' REPORT

1.

TO THE MEMBERS CONQUEST FOR LIFE NPC

We have reviewed the annual financial statements of **Conquest for Life NPC**, which comprise the statement of financial position as at 28 February 2015, the statement of comprehensive income and statement of cash flow for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 - 11.

Directors' Responsibility for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of these annual financial statements and for such internal control as the directors determine necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewers' Responsibility

Our responsibility is to express a conclusion on these annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the annual financial statements as a whole may be materially misstated.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects, the financial position of Conquest for Life NPC as at 28 February 2015 and its financial performance and cash flows for the year then ended.

KAROLIA JEENA inc.
REGISTERED AUDITORS

Per M.A. Kaka, Chartered Accountant (SA), Registered Auditor

Parktown
16 July 2015

CONQUEST FOR LIFE NPC

2.

DIRECTORS' RESPONSIBILITIES AND APPROVAL for the year ended 28 February 2015

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

The 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 association and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, they have set 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

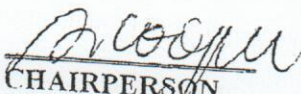
The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal control can provide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

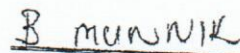
The directors have reviewed the Association's cash flow forecast for the year ended 28 February 2016 and, in the light of this review and the current financial position, they are satisfied that the Association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external reviewers and their report is presented on page 1.

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements and supplementary information set out on pages 3 to 16 have been approved by the board of directors at Parktown on 16 July 2015 and are signed on its behalf.


CHAIRPERSON


TREASURER

CONQUEST FOR LIFE NPC

3.

REPORT OF THE DIRECTORS for the year ended 28 February 2015

To the Members

Your directors have pleasure in submitting their report for the year ended 28 February 2015.

NATURE OF BUSINESS AND OPERATIONS

The Association is a non profit making organisation and its main object is to promote, improve and better the quality of life of all people and specifically of those that have been disadvantaged.

GENERAL REVIEW AND FINANCIAL RESULTS

The company's affairs are clearly set out in the attached financial statements and need no further comment. No material facts or circumstances have occurred between the accounting date and the date of this report.

POST BALANCE SHEET EVENTS

No material facts or circumstances have occurred between the accounting date and the date of this report.

DIRECTORATE

The directors in office at the date of this report are S. Cooper, H.G. Steyn, B.M.S. Munnik, C. Flemming, T. Meyer, C. Reimers and S. Bhala. We point out that the appointments of C. Flemming, T. Meyer, C. Reimers and S. Bhala are still in the process of being registered at C.I.P.C.

REVIEWERS

Karolia Jeena inc. will continue in office.

SECRETARY

The company has not officially appointed a secretary.

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STATEMENT OF FINANCIAL POSITION
at 28 February 2015

	NOTE	2015 R	2014 R
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		2 246 142	2 246 142
Intangible assets	4	1 910 035	1 910 035
Investments	5	62 192	62 192
Loan receivable	6	1 915	1 915
	7	272 000	272 000
CURRENT ASSETS			
Cash and cash equivalents		-	473 490
TOTAL ASSETS		<u>2 246 142</u>	<u>2 719 632</u>
EQUITY AND LIABILITIES			
ACCUMULATED FUNDS			
		1 573 207	2 218 761
CURRENT LIABILITIES			
Trade and other payables		672 935	500 871
Bank overdraft	8	627 830	500 871
	9	45 105	-
TOTAL EQUITY AND LIABILITIES		<u>2 246 142</u>	<u>2 719 632</u>

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5.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2015

	NOTE	2015 R	2014 R
INCOME		1 013 789	1 530 416
EXPENDITURE		1 659 343	1 442 775
(DEFICIT)/SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUNDS	10	<u>(645 554)</u>	<u>87 641</u>
ACCUMULATED FUNDS AT BEGINNING OF THE YEAR		2 218 761	2 131 120
ACCUMULATED FUNDS AT END OF THE YEAR		<u><u>1 573 207</u></u>	<u><u>2 218 761</u></u>

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STATEMENT OF CASH FLOW WITH NOTE THERETO
for the year ended 28 February 2015

	NOTE	2015 R	2014 R
Cash flows from operating activities			
Cash receipts - donations and other income		1 013 789	1 530 416
Cash payments to suppliers and employees		(1 532 384)	(1 062 474)
Cash (utilized in)/generated by operations	1	<u>(518 595)</u>	<u>467 942</u>
<i>Net cash (outflow)/inflow from operating activities</i>		<u>(518 595)</u>	<u>467 942</u>
Cash flows from investing activities			
Proceeds on part refund of deposit on fixed property		-	50 202
<i>Net cash inflow from investing activities</i>		<u>-</u>	<u>50 202</u>
Net movement in cash and cash equivalents		(518 595)	518 144
Cash and cash equivalents at beginning of year		473 490	(44 654)
Cash and cash equivalents at end of year		<u>(45 105)</u>	<u>473 490</u>
NOTES TO THE CASH FLOW STATEMENT			
1. Cash (utilized in)/generated by operations			
(Deficit)/surplus for the year		(645 554)	87 641
Adjustments for :			
Loan advanced to Heritage of Faith written off		-	15 000
Loss on deposit on Westbury property upon cancellation		-	49 798
Increase in trade and other payables		126 959	315 503
		<u>(518 595)</u>	<u>467 942</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the International Standard of Financial Reporting for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis of accounting and incorporate the following principal accounting policies which are consistent with those applied in the previous years.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Cost of property, plant and equipment includes all directly attributable expenditure incurred in the acquisition, establishment and installation of such assets so as to bring them to a working condition for their intended use. Interest costs are not capitalised.

Depreciation is charged to income on a straight line basis so as to write off the cost of the assets over their expected useful lives.

The assumptions regarding estimated useful lives for the financial year are as follows:

Alarm systems	15%
Computers	25%
Machinery	20%
Motor vehicles	25%
Office furniture and equipment	25%

1.2 INTANGIBLE ASSETS

An intangible assets is recognised when:

- it is probable that future economic benefits associated with the asset will flow to the company; and
- the cost of the asset can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets.

1.3 INVESTMENTS

Investments are stated at cost and are written down only when there is a permanent impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2015

1. ACCOUNTING POLICIES (Continued)

1.4 FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet includes cash and bank balances, trade and other receivables and trade and other payables.

Financial assets are recognised when the organisation has rights or other access to economic benefits. Such assets consist of cash or a contractual right to receive cash or another financial asset.

Financial assets, or a portion of a financial asset, are derecognised when, and only when, the entity loses control of the contractual rights that comprise the financial asset (or a portion of the financial asset). Such control is lost if the entity realises the right to benefits specified in the contract, the rights expire, or the entity surrenders those rights.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.

The recognition and measurement criteria for each of these financial instruments are separately disclosed under their respective accounting policies.

1.5 TRADE AND OTHER RECEIVABLES

Receivables are stated at original investment less principal payments, amortisations, and less accumulated impairment losses.

1.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at its face value.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand, and bank overdrafts, which form an integral part of the entity's cash management, all of which are available for use by the entity unless otherwise stated.

1.7 TRADE AND OTHER PAYABLES

Trade and other payables are stated at cost.

1.8 DONATIONS

Revenue from donations are recognised only when it is probable that the economic benefits associated with a donation will flow to the organisation and the amount of the donation can be measured reliably.

2. ASSOCIATION'S INCORPORATION AND MAIN OBJECT

The company was incorporated as an "Association Not For Gain" under Section 21 of the Companies Act, on 3 January 1996. The company is therefore specifically prohibited from distributing in specie or kind any of its assets amongst its members.

The main object of the Association is to promote, improve and better the quality of life of all people and specifically of those that have been disadvantaged.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2015

(Continued)

	2015 <u>R</u>	2014 <u>R</u>
3. TAXATION		
<p>The Association has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act (the Act). The Association is exempt from income tax in terms of Section 10(1)(cN) of the Act. Donations to the Association are tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act. Donations by or to the Association are exempt from donations tax in terms of section 56(1)(h) of the Act.</p>		
4. PROPERTY, PLANT AND EQUIPMENT		
Agricultural holdings - at cost, 2001	165 872	165 872
Comprising a farm situated at Holding 102 Dreamland Agricultural Holdings, Gauteng. Held under title deeds T18552/2001 measuring 2.0215 hectares		
Land and buildings	711 750	711 750
At cost, 2002	141 750	141 750
Additions - 2003	440 000	440 000
Additions - 2004	130 000	130 000
Stand no: 00589 - 000, Newclare Township, Johannesburg, Gauteng. Held under title deeds T73765/2006 measuring 1 472 sqm.		
Land and buildings - at cost, 2006	185 000	185 000
At cost, 2006	180 000	180 000
Additions - 2007	5 000	5 000
Stand no 5504/184, 49 Allie Crescent, Ennerdale, Gauteng. Held under title deeds T47012/2006 measuring 469 sqm.		
Land and buildings - at cost, 2007	357 408	357 408
Erf 10466 Meadowlands, Gauteng. Held under title deeds T89/2007 measuring 253 sqm.		
Land and buildings - at cost, 2007	490 000	490 000
Erf 211 Fleurhof Township, Gauteng. This property is registered in the name of the director Mr H. G. Steyn.		
Balance carried forward	1 910 030	1 910 030

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2015

(Continued)

	2015 R	2014 R
4. PROPERTY, PLANT AND EQUIPMENT (Continued...)		
<i>Balance brought forward</i>	1 910 030	1 910 030
Alarm systems		
Cost	1	1
Less: Accumulated depreciation	485	485
	484	484
Computers		
Cost	1	1
Less: Accumulated depreciation	468 938	468 938
	468 937	468 937
Machinery		
Cost	1	1
Less: Accumulated depreciation	56 468	56 468
	56 467	56 467
Motor vehicles		
Cost	1	1
Less: Accumulated depreciation	531 550	531 550
	531 549	531 549
Office furniture and equipment		
Cost	1	1
Less: Accumulated depreciation	808 246	808 246
	808 245	808 245
Carrying value	1 910 035	1 910 035
4.1 Directors valuation of land and buildings	5 000 000	5 000 000
5. INTANGIBLE ASSETS		
Trademark - at cost	62 192	62 192
Registration of the "Conquest for Life" name and logo in South Africa , United Kingdom and United States of America.		
6. INVESTMENTS		
Shares at cost		
- 1 000 000 Ordinary shares in Uni - Africa Investment Holdings Ltd	1 000	1 000
- Sasol shares	915	915
	1 915	1 915

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2015

(Continued)

	2015 <u>R</u>	2014 <u>R</u>
7. LOAN RECEIVABLE		
* Bernard Wesley Jafta	<u>272 000</u>	<u>272 000</u>
* This loan is unsecured, interest free and not subject to any fixed terms of repayment.		
This loan relates to the proposed acquisition of a fixed property, Stand No 5495, Ennerdale, for R 460 000. The Association had made a part payment for this property. As the Association had failed to make the full payment that was due, the transaction had been cancelled by the seller, B.W. Jafta. This loan reflects the refund that is due to the Association arising from this cancelled transaction. The directors anticipate that this loan will be repaid upon transfer of this property as it has been sold by B.W. Jafta. The directors have instituted legal proceedings in this matter.		
8. TRADE AND OTHER PAYABLES		
Various councils in respect of municipal charges	112 342	98 556
South African Revenue Services for uif and paye	454 546	384 112
Karolia Jeena inc.	18 942	18 203
H. G. Steyn - Loan	42 000	-
	<u>627 830</u>	<u>500 871</u>
9. BANK OVERDRAFT		
The bank overdraft is secured by an unlimited personal guarantee furnished by Mr. H.G. Steyn, a director of the Association.		
10. (DEFICIT)/SURPLUS FOR THE YEAR		
The (deficit)/surplus for the year is stated after taking into account the following items :		
Reviewers' remuneration		
Fee for review	15 212	11 934
Director's emoluments		
- Management services	<u>156 000</u>	<u>156 000</u>

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 28 February 2015

	NOTE	2015 R	2014 R
INCOME			
Donations received		1 013 789	1 530 416
After care fees	1	753 367	1 241 400
Diversion camp fees		3 150	2 250
Interest received		-	7 800
Recovery of expenses		85	-
Recovery of loan receivable written off previously		23 725	-
Rental received		24 000	26 000
Sundry income		209 462	247 740
		-	5 226
EXPENDITURE			
(Per schedule of expenditure - page 15)		1 659 343	1 442 775
(DEFICIT)/SURPLUS FOR THE YEAR			
		<u>(645 554)</u>	<u>87 641</u>

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SCHEDULE OF EXPENDITURE
for the year ended 28 February 2015

	NOTE	2015 R	2014 R
Accounting fees		2 559	-
Animal food		4 557	6 400
Reviewers' remuneration		15 212	11 934
Bank charges		9 503	11 029
Cleaning		-	5 477
Computer and internet expenses		12 098	5 865
Entertainment and meals		51 328	48 460
- Administration		5 132	4 846
- Diversion		22 328	21 080
- Reathusana project		3 080	2 908
- VOC		2 053	1 938
- Youth enrichment programme		18 735	17 688
Entrance fees		-	-
Equipment expensed		99 280	19 313
General expenses		12 109	-
Interest paid		95	-
Legal costs		44 817	-
Loan given to Heritage of Faith written off		-	15 000
Loss on deposit on Westbury property upon cancellation		-	49 798
Printing, postage and stationery		148 944	48 513
- Administration		14 893	4 851
- Diversion		64 791	21 103
- Reathusana project		8 937	2 911
- VOC		5 958	1 941
- Youth enrichment programme		54 365	17 707
Reimbursements - volunteers		-	55 205
Rent and municipal charges - current year		191 394	257 456
Repairs and maintenance		106 984	25 875
Salaries and wages	2	679 022	609 735
- Administration		67 902	60 974
- Diversion		295 375	265 235
- Reathusana project		40 741	36 584
- VOC		27 161	24 389
- Youth enrichment programme		247 843	222 553
<i>Carried forward</i>		<u>1 377 902</u>	<u>1 170 060</u>

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SCHEDULE OF EXPENDITURE
for the year ended 28 February 2015

(Continued)

	NOTE	2015 R	2014 R
<i>Brought forward</i>		1 377 902	1 170 060
Subscriptions and dues			23 303
Telephone, cellphone, fax and postage			63 977
- Administration		75 782	6 397
- Diversion		7 579	27 830
- Reathusana project		32 965	3 839
- VOC		4 547	2 559
- Youth enrichment programme		3 031	23 352
Training		27 660	15 000
Vehicle, travelling and accommodation	3	62 820	170 435
- Administration		142 839	17 044
- Diversion		14 284	74 139
- Reathusana project		62 135	10 226
- VOC		8 570	6 817
- Youth enrichment programme		5 714	62 209
TOTAL EXPENDITURE		1 659 343	1 442 775

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NOTES TO THE SUPPLEMENTARY INFORMATION
for the year ended 28 February 2015

15.

1. DONATIONS RECEIVED

	2015 R	2014 R
Anglo American	80 000	60 000
Consol	18 000	-
Credit Gaurantee	-	2 000
CTP Ltd	6 000	6 000
Department of Social Development	303 500	-
E Bellairs Trust	30 000	30 000
Exxaro	-	4 000
Global Payment Technologies	-	95 000
HCI Foundation	180 000	60 000
L.V. and I. Middleton Charity Fund	70 000	15 000
Macsteel Foundation	-	1 500
Mersen S.A	-	5 000
National Lotteries Fund	-	721 000
Open Society Fund	-	75 000
RB Hagart Trust	-	100 000
Sanlick House of Locks	-	-
SR Loewenstein Trust	5 367	50 000
SR and A Winer Educational & Benefit Trust	50 000	3 900
Willowton Oil Foundation	4 500	3 000
Wits University	6 000	10 000
	-	-
	<u>753 367</u>	<u>1 241 400</u>

2. REPAIRS AND MAINTENANCE

Maintenance of office buildings	<u>106 984</u>	<u>25 875</u>
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3. TRAINING

Staff training	<u>62 820</u>	<u>15 000</u>
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Additional staff training was conducted during the year at no direct costs to the Association, as it was conducted in-house by board members, their associates and related organisations.

SCHEDULE OF DONATIONS IN KIND
for the year ended 28 February 2015

DONATIONS RECEIVED IN KIND

Africa Yoga	Yoga training
Ayanda Seedat	Table
Crawford College	Toys and books
Conquest for Life Board	Time and Transport
Conquest for Life Staff	Time
Jay	Time
Joseph's Fruit and Veg.	Veggies for aftercare
Toms	Shoes for Children
Ursula/Patsy/Dale	Time, transport and refreshments