

**CONQUEST FOR LIFE NPC  
COMPANY REG. NO: 1996/000027/08  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
29 FEBRUARY 2016**

## CONQUEST FOR LIFE NPC

<b>COMPANY REG. NO.</b>	:	1996/000027/08
<b>NON PROFIT ORG. REG. NO</b>	:	005 - 415 NPO
<b>PUBLIC BENEFIT ORGANISATION NO</b>	:	930 003 994
<b>TAX EXEMPTION NO</b>	:	RG/0243/08/04
<b>HEAD OFFICE</b>	:	2nd Floor 21 Price Street Newclare 2093
<b>BOARD OF DIRECTORS</b>	:	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 29 FEBRUARY 2016

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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 29 February 2016, 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 29 February 2016 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  
20 July 2016

## **DIRECTORS' RESPONSIBILITIES AND APPROVAL**

for the year ended 29 February 2016

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 2017 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 20 July 2016 and are signed on its behalf.

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**CHAIRPERSON**

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**TREASURER**

**REPORT OF THE DIRECTORS**

for the year ended 29 February 2016

To the Members

Your directors have pleasure in submitting their report for the year ended 29 February 2016.

**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.

**STATEMENT OF FINANCIAL POSITION**  
at 29 February 2016

	NOTE	2016 R	2015 R
<b>ASSETS</b>			
NON CURRENT ASSETS		2 246 142	2 246 142
Property, plant and equipment	4	1 910 035	1 910 035
Intangible assets	5	62 192	62 192
Investments	6	1 915	1 915
Loan receivable	7	272 000	272 000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		16 418	-
<b>TOTAL ASSETS</b>		<b>2 262 560</b>	<b>2 246 142</b>
<b>EQUITY AND LIABILITIES</b>			
ACCUMULATED FUNDS		1 346 990	1 573 207
CURRENT LIABILITIES		915 570	672 935
Trade and other payables	8	871 715	627 830
Bank overdraft	9	43 855	45 105
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 262 560</b>	<b>2 246 142</b>

**CONQUEST FOR LIFE NPC**

5.

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 29 February 2016

	NOTE	2016 R	2015 R
<b>INCOME</b>		<b>1 330 409</b>	<b>1 013 789</b>
<b>EXPENDITURE</b>		<b>1 556 626</b>	<b>1 659 343</b>
<b>DEFICIT FOR THE YEAR TRANSFERRED TO ACCUMULATED FUNDS</b>	10	<b>(226 217)</b>	<b>(645 554)</b>
<b>ACCUMULATED FUNDS AT BEGINNING OF THE YEAR</b>		<b>1 573 207</b>	<b>2 218 761</b>
<b>ACCUMULATED FUNDS AT END OF THE YEAR</b>		<b><u>1 346 990</u></b>	<b><u>1 573 207</u></b>

**STATEMENT OF CASH FLOW WITH NOTE THERETO**  
for the year ended 29 February 2016

	NOTE	2016 R	2015 R
<b>Cash flows from operating activities</b>			
Cash receipts - donations and other income		1 330 409	1 013 789
Cash payments to suppliers and employees		(1 312 741)	(1 532 384)
Cash generated by/(utilized in) operations	1	<u>17 668</u>	<u>(518 595)</u>
<i>Net cash inflow/(outflow) from operating activities</i>		<u>17 668</u>	<u>(518 595)</u>
<b>Net movement in cash and cash equivalents</b>		17 668	(518 595)
<b>Cash and cash equivalents at beginning of year</b>		(45 105)	473 490
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(27 437)</u></u>	<u><u>(45 105)</u></u>
<b>NOTES TO THE CASH FLOW STATEMENT</b>			
<b>1. Cash generated by/(utilized in) operations</b>			
Deficit for the year		(226 217)	(645 554)
Adjustments for :			
Increase in trade and other payables		243 885	126 959
		<u>17 668</u>	<u>(518 595)</u>
<b>2. Cash and cash equivalents</b>			
Cash on hand		16 418	-
Bank overdraft		(43 855)	(45 105)
		<u>(27 437)</u>	<u>(45 105)</u>



**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 29 February 2016

**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 29 February 2016

**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 29 February 2016

(Continued) .....

	2016	2015
	<u>R</u>	<u>R</u>

**3. TAXATION**

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.

**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.		
<b>Balance carried forward</b>	<b>1 910 030</b>	<b>1 910 030</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 29 February 2016

(Continued) .....

	2016 R	2015 R
<b>4. PROPERTY, PLANT AND EQUIPMENT (Continued...)</b>		
<b>Balance brought forward</b>	<b>1 910 030</b>	1 910 030
Alarm systems	1	1
Cost	485	485
Less: Accumulated depreciation	484	484
Computers	1	1
Cost	468 938	468 938
Less: Accumulated depreciation	468 937	468 937
Machinery	1	1
Cost	56 468	56 468
Less: Accumulated depreciation	56 467	56 467
Motor vehicles	1	1
Cost	531 550	531 550
Less: Accumulated depreciation	531 549	531 549
Office furniture and equipment	1	1
Cost	808 246	808 246
Less: Accumulated depreciation	808 245	808 245
<b>Carrying value</b>	<b>1 910 035</b>	1 910 035
<b>4.1 Directors valuation of land and buildings</b>	<b>5 000 000</b>	5 000 000
<b>5. INTANGIBLE ASSETS</b>		
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.		
<b>6. INVESTMENTS</b>		
<b>Shares at cost</b>		
- 1 000 000 Ordinary shares in Uni - Africa Investment Holdings Ltd	1 000	1 000
- Sasol shares	915	915
	<b>1 915</b>	1 915

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 29 February 2016

(Continued) .....

	2016 R	2015 R
<b>7. LOAN RECEIVABLE</b>		
* 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.		
<b>8. TRADE AND OTHER PAYABLES</b>		
Various councils in respect of municipal charges	715 155	454 546
South African Revenue Services for uif and paye	144 302	112 342
Karolia Jeena inc.	12 258	18 942
H. G. Steyn - Loan	-	42 000
	<u>871 715</u>	<u>627 830</u>
<b>9. BANK OVERDRAFT</b>		
The bank overdraft is secured by an unlimited personal guarantee furnished by Mr. H.G. Steyn, a director of the Association.		
<b>10. DEFICIT FOR THE YEAR</b>		
The deficit for the year is stated after taking into account the following items :		
Reviewers' remuneration		
Fee for review	11 138	15 212
Director's emoluments		
- Management services	<u>156 000</u>	<u>156 000</u>

**CONQUEST FOR LIFE NPC**

12.

**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 29 February 2016

	NOTE	2016 <u>R</u>	2015 <u>R</u>
<b>INCOME</b>		<b>1 330 409</b>	<b>1 013 789</b>
Donations received	1	1 045 764	753 367
Administration fees received		2 609	-
After care fees		7 100	3 150
Diversion camp fees		10 400	-
Interest received		1 350	85
Recovery of expenses		6 400	23 725
Recovery of loan receivable written off previously		24 000	24 000
Rental received		232 786	209 462
<b>EXPENDITURE</b>		<b>1 556 626</b>	<b>1 659 343</b>
(Per schedule of expenditure - page 14)			
<b>DEFICIT FOR THE YEAR</b>		<u><u>(226 217)</u></u>	<u><u>(645 554)</u></u>

**SCHEDULE OF EXPENDITURE**

for the year ended 29 February 2016

	NOTE	2016 R	2015 R
Accounting fees		-	2 559
Animal food		2 871	4 557
Bank charges		10 786	9 503
Computer and internet expenses		7 869	12 098
Entertainment and meals		29 815	51 328
- Administration		2 982	5 132
- Diversion		12 970	22 328
- Reathusana project		1 789	3 080
- VOC		1 193	2 053
- Youth enrichment programme		10 882	18 735
Equipment expensed		-	99 280
General expenses		1 080	12 109
Interest paid and penalties		50 143	95
Legal costs		34 844	44 817
Printing , postage and stationery		112 538	148 944
- Administration		11 254	14 893
- Diversion		48 954	64 791
- Reathusana project		6 752	8 937
- VOC		4 502	5 958
- Youth enrichment programme		41 076	54 365
Rent and municipal charges		327 264	191 394
Repairs and maintenance	2	15 904	106 984
Reviewers' remuneration		11 138	15 212
Salaries and wages		705 515	679 022
- Administration		70 552	67 902
- Diversion		306 899	295 375
- Reathusana project		42 331	40 741
- VOC		28 221	27 161
- Youth enrichment programme		257 513	247 843
<i>Carried forward</i>		<b>1 309 767</b>	<b>1 377 902</b>

**SCHEDULE OF EXPENDITURE**

for the year ended 29 February 2016

(Continued) .....

	NOTE	2016 R	2015 R
<i>Brought forward</i>		1 309 767	1 377 902
Subscriptions and dues		1 395	-
Telephone, cellphone, fax and postage		67 958	75 782
- Administration		6 796	7 579
- Diversion		29 562	32 965
- Reathusana project		4 077	4 547
- VOC		2 718	3 031
- Youth enrichment programme		24 805	27 660
Training	3	-	62 820
Vehicle, travelling and accommodation		177 506	142 839
- Administration		17 751	14 284
- Diversion		77 215	62 135
- Reathusana project		10 650	8 570
- VOC		7 100	5 714
- Youth enrichment programme		64 790	52 136
<b>TOTAL EXPENDITURE</b>		<b>1 556 626</b>	<b>1 659 343</b>



**NOTES TO THE SUPPLEMENTARY INFORMATION**

for the year ended 29 February 2016

	<b>2016</b>	2015
	<b><u>R</u></b>	<u>R</u>
<b>1. DONATIONS RECEIVED</b>		
Anglo American	80 000	80 000
Calvary Trust	40 000	-
Consol	20 000	18 000
Credit Gaurantee	2 500	-
CPT Ltd	6 000	6 000
Department of Social Development	394 254	303 500
E Bellairs Trust	-	30 000
Global Payment Technologies	200 000	180 000
HCI Foundation	70 000	70 000
L.V. and I. Middleton Charity Fund	20 000	-
RB Hagart Trust	200 000	-
Sanlick House of Locks	8 010	5 367
SR Loewenstein Trust	-	50 000
SR and A Winer Educational & Benefit Trust	5 000	4 500
Willowton Oil Foundation	-	6 000
	<b><u>1 045 764</u></b>	<u>753 367</u>
<b>2. REPAIRS AND MAINTENANCE</b>		
Maintenance of office buildings	<b><u>15 904</u></b>	<u>106 984</u>
<b>3. TRAINING</b>		
Staff training	<b><u>-</u></b>	<u>62 820</u>

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 29 February 2016

**DONATIONS RECEIVED IN KIND**

Josephs Fruit and Veg	Veggies
Suzette Gordon	Tea and Coffee
Toms	5 200 pairs of shoes
Conquest for Life Board	Time and Transport
Friends and Staff of Conquest for Life	Refreshments, Time and Transport
Dale De Klerk	Refreshments, Time and Transport
Patsy Finger	Refreshments, Time and Transport
Ursula Van Graan	Refreshments, Time and Transport
Jay	Time and Transport
Rochelle Steyn	Time