

**Narrative Foundation NPC**  
(Registration number 2005/018545/08)  
Annual Financial Statements  
for the year ended 28 February 2017

# Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February 2017

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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# Narrative Foundation NPC

(Registration number 2005/018545/08)

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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 organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

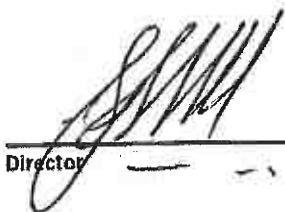
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 organisation's cash flow forecast for the year to 28 February 2018 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditor and their report is presented on page 3 to 4.

The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the directors and were signed on their behalf by:



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Director



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Director



**BAKER TILLY**  
**MORRISON MURRAY**

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Chartered Accountants (SA)  
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## **Independent Auditor's Report**

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### **To the shareholders of Narrative Foundation NPC**

#### **Qualified opinion**

We have audited the annual financial statements of Narrative Foundation NPC set out on pages 6 to 10, which comprise the statement of financial position as at 28 February 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Narrative Foundation NPC as at 28 February 2017, 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 71 of 2008.

#### **Basis for qualified opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA 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 IESBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Qualification**

In common with similar companies it is not feasible for the company to institute accounting controls over cash collections from various sources prior to the initial entry of the collections in the accounting records. Accordingly, it is impracticable for us to extend our examination beyond the receipts actually recorded. The financials statements have been prepared on the going concern basis which assumes additional funding will be provided by the directors.

#### **Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.



## **Independent Auditor's Report**

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

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the organisation'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 organisation or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 organisation'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 organisation'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 annual 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 organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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.

*Baker Tilly Morrison Murray*

20 Westville Road  
Westville  
3629

Baker Tilly Morrison Murray  
Registered Auditors  
Chartered Accountants (S.A.)  
Per: RA Kemp  
Partner

Date: 31-3-2017

# Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February 2017

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Narrative Foundation NPC for the year ended 28 February 2017.

### 1. Incorporation

The company was incorporated on 23 May 2005 and obtained its certificate to commence business on the same day.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. General review

The main objective of the association is:

- To promote critical thinking and responsible action.
- To strengthen social fabric and
- To support community development activities.

### 4. Directors

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

L Norton  
Y Sliep  
A Van Der Maas  
S Van Dyk

Change of directors was effective from 1 December 2016.

Mrs Sliep resigned as a director and Mrs L Norton has been appointed in her place. Mrs Sliep will continue working in the position of manager for the Foundation.

This change has been notified to CIPC, Dir NPO and SARS TEU.

### 5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 6. Auditors

Baker Tilly Morrison Murray continued in office as auditors for the organisation for 2017.

At the AGM, the shareholders will be requested to reappoint Baker Tilly Morrison Murray as the independent external auditors of the organisation and to confirm Mr RA Kemp as the designated lead audit partner for the 2018 financial year.

### 7. Secretary

The company had no appointed secretary for the year ended 28 February 2017.

### 8. Going concern

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.

## Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February 2017

### Statement of Financial Position as at 28 February 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		100 398	92 610
<b>Total Assets</b>		<b>100 398</b>	<b>92 610</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		96 665	88 879
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable		3 733	3 731
<b>Total Equity and Liabilities</b>		<b>100 398</b>	<b>92 610</b>

## Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February 2017

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Donations and fees received		366 080	315 384
Operating expenses		(358 294)	(286 544)
<b>Operating surplus</b>		<b>7 786</b>	<b>28 840</b>
<b>Surplus for the year</b>		<b>7 786</b>	<b>28 840</b>

### Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2015	60 039	60 039
Surplus for the year	28 840	28 840
Balance at 01 March 2016	88 879	88 879
Surplus for the year	7 786	7 786
Balance at 28 February 2017	96 665	96 665



## Narrative Foundation NPC

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Annual Financial Statements for the year ended 28 February 2017

### Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash generated from operations	4	7 788	29 179
<b>Total cash movement for the year</b>		<b>7 788</b>	<b>29 179</b>
Cash at the beginning of the year		92 610	63 431
<b>Total cash at end of the year</b>		<b>100 398</b>	<b>92 610</b>

# Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February 2017

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

#### 1.1 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial assets and liabilities that are measured at fair value through profit or loss.

##### 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 the end of 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.

##### Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value and are measured at cost which is deemed to be fair as they have a short-term maturity.

Bank overdrafts are included within current liabilities in the statement of financial position.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairment.

##### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

# Narrative Foundation NPC

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Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>2. Directors' remuneration</b>		
Other emoluments	-	42 000
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		
<b>3. Taxation</b>		
No provision has been made for 2017 tax as the organisation has no taxable income.		
<b>4. Cash generated from operations</b>		
Surplus before taxation	7 787	28 840
<b>Changes in working capital:</b>		
Accounts payable	1	339
	<b>7 788</b>	<b>29 179</b>

# Narrative Foundation NPC

(Registration number 2005/018545/08)

Annual Financial Statements for the year ended 28 February, 2017

## Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
<b>Revenue</b>			
Donations - Kleinmond Linx project		8,795	-
Donations - Kleinmond projects		6,300	28,288
Donations - Tales of Turning project		126,456	47,203
Donations - Tumaini project		22,414	-
Donations - administration		98,731	207,928
Donations - education support		33,705	-
Donations - music project		34,501	31,965
Overstrand municipality grant		35,178	-
		<b>366,080</b>	<b>315,384</b>
<b>Operating expenses</b>			
AGM expenses		150	100
Auditors remuneration		4,565	3,729
Bank charges		3,242	2,196
CIPC		200	-
Community development project - Education support		39,857	40,039
Community development project - Kleinmond		14,383	15,272
Community development project - Kleinmond Linx		5,670	-
Community development project - Life Story		-	16,000
Community development project - Music		15,914	29,102
Community development project - Talent Project		25,217	22,807
Community development project - Tales of Turning		124,350	48,614
Community development project - Training, mentoring, coaching		14,179	-
Community development project - Tumaini		3,876	-
Computer and printers		3,999	4,131
Compensation commission		1,000	3,672
Donations		1,500	-
Paypal fee		30	-
Printing, stationery and sundries		378	780
Salaries		96,000	97,005
Telephone		874	652
Training		-	599
Transport		2,910	1,846
		<b>358,294</b>	<b>286,544</b>
<b>Surplus for the year</b>		<b>7,786</b>	<b>28,840</b>