

The Imibala Trust  
(Registration number IT2293/2005)  
Audited Financial Statements  
for the year ended 29 February 2020

The Imibala Trust  
(Registration number IT2293/2005)  
Financial Statements for the year ended 29 February 2020

**General Information**

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<b>Country of registration and domicile</b>	South Africa
<b>Nature of the trust and principal activities</b>	The trust is a non-profit public benefit organisation with the primary purpose to advance disadvantaged children through primary and high school. Its activities include sponsoring uniforms to children in poor communities and providing training in visual and performing arts, mathematics and learner advancement programmes.
<b>Trustees</b>	Mrs G A Rupert Miss H M Rupert Mrs C I C Downie Mrs J A Preller Mr G le Roux Mrs L White
<b>Postal Address</b>	9 Bright Street Somerset West 7130
<b>Auditors</b>	PricewaterhouseCoopers Inc. Stellenbosch
<b>Trust registration number</b>	IT2293/2005
<b>Non-Profit Organisation Number</b>	046-758-NPO

The Imibala Trust  
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Financial Statements for the year ended 29 February 2020

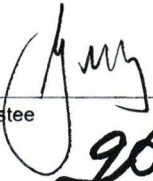
**Index**

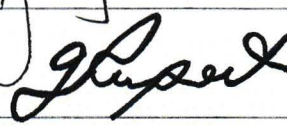
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The reports and statements set out below comprise the financial statements presented to the trustees:

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The financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the trustees on 26 November 2020 and signed on their behalf by:

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee



## *Independent auditor's report*

To the Trustees of The Imibala Trust

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### *Our opinion*

In our opinion, the financial statements of The Imibala Trust (the Trust) for the year ended 29 February 2020 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 of the financial statements.

### **What we have audited**

The The Imibala Trust's financial statements set out on pages 6 to 14 comprise:

- the statement of financial position as at 29 February 2020;
  - the statement of comprehensive income for the year then ended;
  - the statement of changes in equity for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include a summary of significant accounting policies.
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### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Trust 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.

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### *Emphasis of Matter – Basis of Accounting*

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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### *Other information*

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Imibala Trust Financial Statements for the year ended 29 February 2020". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

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### *Responsibilities of the trustees for the financial statements*

The trustees are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements and for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the trustees 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 trustees are responsible for assessing the Trust'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 trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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### *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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 Trust'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 Trust to cease to continue as a going concern.

We communicate with the trustees 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.

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A handwritten signature in black ink, appearing to read 'H Zeelie', is written over a horizontal dotted line.

PricewaterhouseCoopers Inc.

Director: H Zeelie

Registered Auditor

Stellenbosch

26 November 2020

The Imibala Trust  
(Registration number IT2293/2005)  
Statement of Financial Position as at 29 February 2020

	Notes	2020 R	2019 R
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	2.	136,259	81,655
Cash and cash equivalents	3.	1,874,081	71,376
Inventory	4.	778,091	894,017
Other financial assets	5.	2,200,000	4,375,000
		<b>4,988,431</b>	<b>5,422,048</b>
<b>Non-current assets</b>			
Other financial assets	5.	15,975,274	16,061,807
Property, vehicles and equipment	6.	2,164,274	2,224,746
		<b>18,139,548</b>	<b>18,286,553</b>
<b>Total assets</b>		<b>23,127,979</b>	<b>23,708,601</b>
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7.	2,469,983	375,047
<b>Equity</b>			
Capital funds		18,175,274	20,815,850
Retained surplus		2,482,722	2,517,704
		<b>20,657,996</b>	<b>23,333,554</b>
<b>Total equity and liabilities</b>		<b>23,127,979</b>	<b>23,708,601</b>

The Imibala Trust  
(Registration number IT2293/2005)  
Statement of Comprehensive Income for the year ended 29 February 2020

	Notes	2020 R Unearmarked	2020 R Earmarked	2019 R Unearmarked	2019 R Earmarked
<b>Revenue</b>					
Sponsor a child and other project donations		2,954,239	-	3,477,788	-
Department Cultural Affairs and Sport		49,211	-	-	-
General donations		1,027,161	-	472,586	-
Donations in kind		34,866	-	7,251	-
		<b>4,065,477</b>	<b>-</b>	<b>3,957,625</b>	<b>-</b>
<b>Other income</b>					
Other income	8.	903,238	-	64,096	-
Fair value adjustment	5.	-	30,537	-	142,200
Rent received		2,400	-	-	-
Interest received	9.	48,612	1,451,541	200,858	999,019
		<b>954,250</b>	<b>1,482,078</b>	<b>264,954</b>	<b>1,141,219</b>
<b>Donations made by the trust</b>					
Welfare expenses and sponsorships		(4,461,363)	-	(2,485,363)	-
<b>Other expenses</b>					
Loss on sale of fixed asset		-	-	(66,516)	-
<b>Operating expenses</b>					
Accounting fees		(49,634)	-	(50,847)	-
Administration fees		(20,010)	-	(18,617)	-
Advertising		(5,929)	-	(235)	-
Assets under R 1000		(3,523)	-	(7,209)	-
Bank charges		(44,081)	(30,901)	(67,790)	-
Depreciation		(135,525)	-	(138,462)	-
Employee costs		(3,401,957)	-	(3,271,832)	-
Fundraising expense		(74,500)	-	(248)	-
Insurance		(73,091)	-	(50,051)	-
IT expense		(86,201)	-	(69,886)	-
Legal expenses		(36,409)	-	(15,446)	-
Licences paid		(2,346)	-	(2,482)	-
Office expenses		(41,331)	-	(34,338)	-
Postage		(402)	-	(321)	-
Printing and stationery		(79,509)	-	(76,152)	-
Repairs and maintenance		(101,089)	-	(66,210)	-
Rent paid		(69,000)	-	(68,400)	-
Security		(249,324)	-	(225,409)	-
Staff training		(3,299)	-	(2,720)	-
Telephone		(49,527)	-	(37,530)	-
Transport and removal		(1,800)	-	(998)	-
Travel - Local		(379)	-	(6,361)	-
Utilities		(105,397)	-	(118,447)	-
Vehicle expense		(50,836)	-	(44,927)	-
Total operating expenses		(4,685,099)	(30,901)	(4,374,918)	-
Total expenses		<b>(9,146,462)</b>	<b>(30,901)</b>	<b>(6,926,797)</b>	<b>-</b>
(Deficit)/Surplus for the year		<b>(4,126,735)</b>	<b>1,451,177</b>	<b>(2,704,218)</b>	<b>1,141,219</b>



The Imibala Trust  
(Registration number IT2293/2005)  
Statement of Changes in Equity for the year ended 29 February 2020

	<b>Capital Funds R</b>	<b>Retained Surplus R</b>	<b>Total Trust Capital R</b>
<b>Balance at 1 March 2018</b>	<b>20,394,714</b>	<b>4,501,839</b>	<b>24,896,553</b>
Changes in equity			
Total comprehensive surplus/(deficit) for the year			
- Earmarked funds	1,141,219	-	1,141,219
- Unearmarked funds	-	(2,704,218)	(2,704,218)
Transfer to retained surplus	(720,083)	720,083	-
Total changes	421,136	(1,984,135)	(1,562,999)
<b>Balance at 1 March 2019</b>	<b>20,815,850</b>	<b>2,517,704</b>	<b>23,333,554</b>
Changes in equity			
Total comprehensive surplus/(deficit) for the year			
- Earmarked funds	1,451,177	-	1,451,177
- Unearmarked funds	-	(4,126,735)	(4,126,735)
Transfer to retained surplus	(4,091,753)	4,091,753	-
Total changes	(2,640,576)	(34,982)	(2,675,558)
<b>Balance at 29 February 2020</b>	<b>18,175,274</b>	<b>2,482,722</b>	<b>20,657,996</b>

The Imibala Trust  
(Registration number IT2293/2005)  
Statement of Cash Flows for the year ended 29 February 2020

	Notes	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash utilised in operations	10.	(1,914,465)	(1,982,675)
Interest	9.	1,500,153	1,199,877
<b>Net cash from operating activities</b>		<b>(414,312)</b>	<b>(782,798)</b>
<b>Cash flows from investing activities</b>			
Withdrawal from investments	5.	3,712,710	6,662,639
Purchase of investments	5.	-	(10,078,934)
Reinvestment of investment income	5.	(1,420,640)	(985,899)
Disposal of property, vehicles and equipment	6.	-	2,500,261
Purchase of property, vehicles and equipment	6.	(75,053)	(11,695)
<b>Net cash from investing activities</b>		<b>2,217,017</b>	<b>(1,913,628)</b>
<b>Total cash and cash equivalents movement for the year</b>		<b>1,802,705</b>	<b>(2,696,426)</b>
Cash and cash equivalents at the beginning of the year	3.	71,376	2,767,802
<b>Total cash and cash equivalents at end of the year</b>	3.	<b>1,874,081</b>	<b>71,376</b>

## Accounting Policies

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### 1. Nature of business and basis of presentation

The Imibala Trust is a non-profit public benefit organisation founded in South Africa with the primary purpose to advance disadvantaged children through primary and high school. Its activities include sponsoring uniforms to children in poor communities and providing training in visual and performing arts, mathematics and learner advancement programmes.

These financial statements have been prepared to comply with the mandatory periodic financial reporting as established by the Trust Deed.

The financial statements have been prepared on the historical cost basis, unless stated otherwise, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These policies have been consistently applied to all years presented, unless otherwise stated.

#### 1.1 Property, vehicles and equipment

Property, vehicles and equipment are carried at cost less accumulated depreciation and any impairment losses.

Costs include costs incurred initially to acquire an item of property, vehicles 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, vehicles and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost over the useful life of the property, vehicles and equipment, which is as follows:

Item	Average useful life
Buildings	20 years
Furniture and fixtures	5 years
Motor vehicles	5 years
IT equipment	3 years
Office equipment	3 years

No depreciation is written off on land as it has an indefinite useful life.

All property, vehicles and equipment purchased for less than R1 000 is expensed directly in profit and loss.

#### 1.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks.

#### 1.3 Financial instruments

##### Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables.

##### Trade and other payables

Trade payables are measured at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Accounting Policies

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### Other Financial Assets

The Trust classifies its other financial assets at fair value through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets recognised at fair value through profit and loss are those that are managed and their performance is evaluated on a fair value basis. Assets that management intends to sell within the next 12 months are classified as current assets and assets that management is not intending to sell within the next 12 months are classified as non-current assets.

Purchases and sales of investments are recognised on trade-date, the date on which the Trust commits to purchase or sell the asset. Financial assets at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Subsequently they are carried at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Trust has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets are presented in the statement of comprehensive income within fair value adjustment in the period in which they arise.

### 1.4 Inventories

The cost of inventories comprise of the cost of the purchases. Inventories are stated at cost. Cost is calculated using the weighted average method. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its operational value; the impairment loss is recognised immediately in profit or loss.

### 1.5 Impairment of assets

At each reporting date, property, vehicles and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount.

If estimated recoverable amount is lower than the carrying amount, 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 recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 1.6 Revenue

#### *Donations and bequests; fundraising and collections*

- Fundraising income and donations are recognised at fair value upon date of receipt.
- Interest is recognised, in profit or loss, using the effective interest method.
- Other income accruals and receipts are recognised at fair value.

### 1.7 Fund accounting

Earmarked income is revenue that is received from sources that have specified the use of the funds by the trust. General/Unearmarked income is revenue that is received to fund the general activities of the trust. The capital fund consists of earmarked income held in financial assets and property acquired. The purpose of the capital fund is to provide the trust with an additional source of income, through interest, that can contribute to the trust's operating expenditure.

	2020 R	2019 R
<b>2. Trade and other receivables</b>		
Trade receivables	86,936	9,620
Prepaid expenses	6,796	-
South African Revenue Services - Value Added Tax	42,258	71,767
Accrued income - Interest	269	268
	<b>136,259</b>	<b>81,655</b>
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	1,729	734
Bank balances	129,420	13,413
Short-term deposits	1,742,932	57,229
	<b>1,874,081</b>	<b>71,376</b>
<b>4. Inventory</b>		
Inventories on hand consist of:		
Clothing	693,759	821,887
Stationery	84,332	72,130
	<b>778,091</b>	<b>894,017</b>
<b>5. Other financial assets</b>		
Unit trust managed by financial institutions at market value	18,175,274	20,436,807
All investments are categorised as financial assets at fair value through profit and loss.		
Movements for the year:		
Opening balance	20,436,807	15,892,414
Purchase of Investments	-	10,078,934
Fair value adjustments	30,537	142,200
Interest and dividend income	1,451,541	999,019
Administration and advisor fees	(30,901)	(13,121)
Withdrawals	(3,712,710)	(6,662,639)
	<b>18,175,274</b>	<b>20,436,807</b>
Other financial assets are classified as:		
Current assets	2,200,000	4,375,000
Non-current assets	15,975,274	16,061,807
	<b>18,175,274</b>	<b>20,436,807</b>

Financial assets are invested mainly in unit trusts and fixed deposits, all managed by financial institutions of a high standing. The financial assets were not used for short term liquidity in the past, but in the current year the trustees deemed it appropriate to utilise the funds for short term liquidity purposes.

**6. Property, vehicles and equipment**

<b>2020</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Land and buildings	2,817,064	(719,531)	2,097,533
Furniture and fixtures	298,255	(290,040)	8,215
Motor vehicles	206,700	(206,700)	-
IT equipment	211,909	(153,383)	58,526
Office equipment	12,767	(12,767)	-
<b>Total</b>	<b>3,546,695</b>	<b>(1,382,421)</b>	<b>2,164,274</b>

<b>2019</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Carrying value</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Land and buildings	2,817,064	(609,024)	2,208,040
Furniture and fixtures	298,255	(283,245)	15,010
Motor vehicles	206,700	(206,700)	-
IT equipment	145,354	(144,357)	997
Office equipment	13,771	(13,072)	699
<b>Total</b>	<b>3,481,144</b>	<b>(1,256,398)</b>	<b>2,224,746</b>

**Reconciliation of property, vehicles and equipment - 2020**

	<b>Opening balance</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Disposal</b>	<b>Closing Balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
Land and buildings	2,208,040	-	(110,507)	-	2,097,533
Furniture and fixtures	15,010	-	(6,795)	-	8,215
Motor vehicles	-	-	-	-	-
IT equipment	997	75,053	(17,524)	-	58,526
Office equipment	699	-	(699)	-	-
	<b>2,224,746</b>	<b>75,053</b>	<b>(135,525)</b>	<b>-</b>	<b>2,164,274</b>

Property consists of erf 973 in Somerset West, held under title deed T57080/2011.

	<b>2020</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>7. Trade and other payables</b>		
Trade payables	491,134	153,689
Income received in advance	1,933,322	221,358
Leave pay accrual	45,527	-
	<b>2,469,983</b>	<b>375,047</b>
<b>8. Other income</b>		
Insurance claim receipts	4,571	33,861
Fund raising event	24,843	30,235
SARS VAT refund for prior years	873,824	-
	<b>903,238</b>	<b>64,096</b>
<b>9. Interest received</b>		
Bank	19,366	69,027
Investments	1,451,541	999,019
Short-term deposits	29,246	131,831
	<b>1,500,153</b>	<b>1,199,877</b>

	2020 R	2019 R
<b>10. Cash utilised in operations</b>		
Deficit for the year	(2,675,558)	(1,562,999)
<i>Adjusted for:</i>		
Depreciation	135,525	138,462
Loss on sale of assets	-	66,516
Interest received	(1,500,153)	(1,199,877)
Fair value adjustments	(30,537)	(142,200)
Donations in kind received	(34,866)	-
Donations in kind expensed	34,866	-
<i>Changes in working capital:</i>		
(Increase)/Decrease in trade and other receivables	(54,604)	49,501
Decrease in inventories	115,926	545,109
Increase in trade and other payables	2,094,936	122,813
	<b>(1,914,465)</b>	<b>(1,982,675)</b>

#### 11. Taxation

The Trust's public benefit activities are exempt from income tax in terms of paragraph 10(1)(cN) of the Income Tax Act and therefore no provision for normal taxation has been made.

#### 12. Events subsequent to year-end

During March 2020 the South African Government declared a national state of disaster due to the COVID-19 pandemic and imposed a state of restriction as of 27 March 2020. The measures taken to contain the pandemic have negatively affected the local economy and the surrounding community. For the safety of beneficiaries and employees, all extracurricular programs were suspended and the Trust focussed its efforts on raising funds for and distributing food parcels to their most vulnerable beneficiaries during this uncertain time. At the date of signing the financial statements a reliable estimate of the financial effect and duration of the pandemic on the Trust, its activities and benefactors, could not be made. Sufficient cash resources are however readily available to settle external liabilities as they become due.

No other event material to the financial affairs of the trust has occurred between the accounting date and the date of approval of the financial statements.

#### 13. Going concern

The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the trust.