

The Nal'ibali Trust
(Registration number IT547/2016)
Annual Financial Statements
for the year ended 31 December 2018

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter Vivos Trust
Trustees	C Gush T Madiba N Machologu V Mai B Trisk
Registered office	Suite 17-201 Building 17 Waverley Business Park Wycroft Road Mowbray Cape Town 7700
Business address	Suite 17-201 Building 17 Waverley Business Park Wycroft Road Mowbray Cape Town 7700
Postal address	Suite 17-201 Building 17 Waverley Business Park Wycroft Road Mowbray Cape Town 7700
Bankers	FNB South Africa Limited
Auditors'	BDO Cape Inc. Chartered Accountants (S.A.) Registered Auditors BDO Cape Inc. is a member firm of BDO International Limited
Trust registration number	IT547/2016
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: KAS Drafting Proprietary Limited H. Abbas Chartered Accountant (S.A.)
Published	<hr/>

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Index

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

Index	Page
Independent Auditor's Report	3 - 5
Trustees' Responsibilities and Approval	6
Trustees' Report	7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	19
---------------------------	----



To The Nal'ibali Trust

Dx 158 Cape Town
Tel: +27 21 417 8800

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

Fax: +27 21 417 8700

www.bdo.co.za

Opinion

Chartered Accountants (SA)
6th Floor, BDO House

123 Hertzog Boulevard, Foreshore,
Cape Town, 8001

PO Box 2275, Cape Town, 8000

Independent Auditor's Report

We have audited the financial statements of The Nal'ibali Trust set out on pages 6 to 18, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position The Nal'ibali Trust as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Trust Deed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA 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 IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO Cape Incorporated

Registration number: 2010/016204/21

Practice number: 970879

VAT number: 4950256596

Directors: I.M. Scott (Managing Director) • K.M. Bowman • J.G. Glass • I. Hashim • D. Honeyball (PE) • H.C. Kilian (PE) • B.J. Lodewyk • H.J. Salmon • M.S. Willimott (PE) • M. Hanekom (PE) • J.M. Nield • B. Jackson • S.F. Cillie • F.B. Mohamed • N.I. Strybis • Y.J. Weaver-Sasman • B. van der Walt • M. Fourie • F. Rhoda • D. Forbes • J. Dhansay • K.B. Groenewald

BDO Cape Incorporated, a South African personal liability company, is an affiliated company of BDO South Africa Incorporated, a South African personal liability company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



Other Information

The trustees are responsible for the other information. The other information comprises the Trustees' Report and the supplementary information set out on page 19. 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and the requirements of the Trust Deed, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

BDO Cape Incorporated
Chartered Accountants (South Africa)
Registered Auditors

Per. B. Lodewyk
Partner
Chartered Accountant (South Africa)
Registered Auditor

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Trustees' Responsibilities and Approval

The trustees are required 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 trust 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 International Financial Reporting Standard for Small and Medium-sized Entities and in a manner required by the Non-profit Organisations Act 71 of 1997. The external auditors' is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and in a manner required by the Non-profit Organisations Act 71 of 1997 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

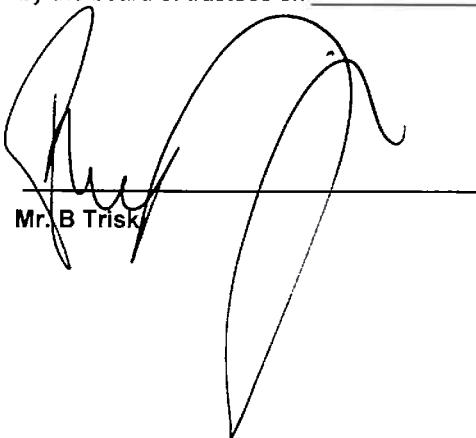
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the trust's cash flow forecast for the year to 31 December 2019 and, in light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors' is responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors' and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 7 to 19, which have been prepared on the going concern basis, were approved by the board of trustees on _____ and were signed on its behalf by:


Mr. B Trisk

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Nal'ibali Trust for the year ended 31 December 2018. **1. The trust**

The trust was registered in terms of a trust deed dated 18 March 2016, under jurisdiction of the Cape Town Master's Office. The trust is in an inter vivos trust, and the trustees bear the fiduciary responsibility for the direction and management of the trust, and the use and administration of the Trust Fund.

The trust commenced business on 01 September 2016. The trust is a non-profit organisation.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

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

3. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that would have a material effect on the annual financial statements for the year ended 31 December 2018.

5. Trustees

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

Trustees	Changes
TS Gobe	Resigned 30 November 2017
C Gush	
N Machologu	Appointed 31 December 2018
T Madiba	
V Mai	Appointed 12 March 2018
MP Morudu	Resigned 30 November 2018
B Trisk	

6. Trustees' benefits

No remuneration was paid to the trustees during the year under review.

7. Auditors

BDO Cape Inc. will continue in office as the auditors for the trust for the 2018 financial year.

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position

Figures in Rand	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 867 257	2 042 653
Current Assets			
Trade and other receivables	3	2 115 873	1 123 488
Prepayments		1 620 197	850 372
Cash and cash equivalents	4	28 029 415	23 880 502
		31 765 485	25 854 362
Total Assets		33 632 742	27 897 015
Equity and Liabilities			
Equity			
Trust capital	5	1 000	1 000
Accumulated surplus		2 487 796	1 042 737
		2 488 796	1 043 737
Liabilities			
Current Liabilities			
Other financial liabilities	6	-	302 462
Trade and other payables	7	8 622 995	7 594 864
Deferred income	8	22 520 951	18 955 952
		31 143 946	26 853 278
Total Equity and Liabilities		33 632 742	27 897 015

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Statement of Comprehensive Income

Figures in Rand	Notes	2018	2017
Revenue	9	72 360 805	54 202 996
Other income		312 863	18 349
Operating expenses		(73 264 705)	(54 623 533)
Operating deficit	10	(591 037)	(402 188)
Investment revenue	11	2 107 482	739 157
Finance costs		(71 386)	-
Surplus for the year		1 445 059	336 969
Other comprehensive income		-	-
Total comprehensive income for the year		1 445 059	336 969

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 January 2017	1 000	705 768	706 768
Changes in equity			
Total comprehensive income for the year	-	336 969	336 969
Total changes	-	336 969	336 969
Balance at 01 January 2018	1 000	1 042 737	1 043 737
Changes in equity			
Total comprehensive income for the year	-	1 445 059	1 445 059
Total changes	-	1 445 059	1 445 059
Balance at 31 December 2018	1 000	2 487 796	2 488 796
Note	5		

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Statement of Cash Flows

Figures in Rand	Notes	2018	2017
Cash flows from operating activities			
Cash generated from operations	13	2 875 331	21 006 030
Interest income		2 107 482	739 157
Finance costs		(71 386)	-
Net cash from operating activities		4 911 427	21 745 187
Cash flows (used in) investing activities			
Purchase of property, plant and equipment	2	(480 422)	(2 068 501)
Sale of property, plant and equipment	2	20 370	1 997
Net cash (used in) investing activities		(460 052)	(2 066 504)
Cash flows from financing activities			
Decrease of other financial liabilities		(302 462)	-
Net cash (used in) financing activities		(302 462)	-
Total cash movement for the year		4 148 913	19 678 683
Cash at the beginning of the year		23 880 502	4 201 819
Total cash at end of the year	4	28 029 415	23 880 502

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and in a manner required by the Non-profit Organisations Act 71 of 1997. 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 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables and Loans receivable

The trust assesses its Trade receivables and Loans receivable for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the trust makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for Trade receivables and Loans receivable is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.2 Property, plant and equipment

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 organisation; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Computer equipment	3 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	10 years
Other equipment	10 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.3 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the organisation becomes a party to the contractual provisions of the instruments.

The organisation classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at settlement date.

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

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.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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 (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.6 Deferred income

Deferred income represents funding received according to founder agreements which has not yet been recognised as income.

Funding grants are recognised when there is reasonable assurance that:

- the organisation will comply with the conditions attached to them; and
- the grants will be received.

Funding grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A funding grant that becomes receivable as compensation for expenses or deficits already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Funding grants related to assets are presented in the statement of financial position by setting up the grant as deferred income.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	918 899	(444 241)	474 658	637 339	(197 142)	440 197
Furniture and fixtures	188 695	(18 210)	170 485	80 315	(6 257)	74 058
Motor vehicles	1 712 373	(575 031)	1 137 342	1 712 373	(232 557)	1 479 816
Office equipment	71 160	(10 822)	60 338	53 101	(4 519)	48 582
Other equipment	25 496	(1 062)	24 434	-	-	-
Total	2 916 623	(1 049 366)	1 867 257	2 483 128	(440 475)	2 042 653

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	440 197	328 487	(20 370)	(273 656)	474 658
Furniture and fixtures	74 058	108 380	-	(11 953)	170 485
Motor vehicles	1 479 816	-	-	(342 474)	1 137 342
Office equipment	48 582	18 059	-	(6 303)	60 338
Other equipment	-	25 496	-	(1 062)	24 434
	2 042 653	480 422	(20 370)	(635 448)	1 867 257

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Computer equipment	384 870	232 782	-	(177 455)	440 197
Furniture and fixtures	9 864	72 288	(1 997)	(6 097)	74 058
Motor vehicles	-	1 712 373	-	(232 557)	1 479 816
Office equipment	1 954	51 058	-	(4 430)	48 582
	396 688	2 068 501	(1 997)	(420 539)	2 042 653

3. Trade and other receivables

Deposits	61 666	-
Other receivable	163 089	-
VAT	1 891 118	1 123 488
	2 115 873	1 123 488

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	8 312 416	1 120 328
Short-term deposits	19 716 999	22 760 174
	28 029 415	23 880 502

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
5. Trust capital		
Capital account / Trust capital		
Balance at beginning of year	1 000	1 000
6. Other financial liabilities		
At amortised cost		
PRAESA	-	302 462
The loan was unsecured, bore no interest and was settled during the year.		
Current liabilities		
At amortised cost	-	302 462
7. Trade and other payables		
Accrued expenses	8 065 280	7 032 425
Other	3 830	9 196
Payroll accruals	553 885	553 243
	8 622 995	7 594 864
8. Deferred income		
De Beers Company - Ponahalo Project	-	(19 546)
First Rand Empowerment Foundation	9 279 197	7 500 000
HCI Foundation	281 967	225 208
The DG Murray Trust	3 257 080	1 779 156
Varsity College	-	52 830
USAID	8 817 454	9 418 304
VW	885 253	-
	22 520 951	18 955 952
Non-current liabilities	-	-
Current liabilities	22 520 951	18 955 952
	22 520 951	18 955 952
The nature and extent of grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and		
Unfulfilled conditions and other contingencies attaching to grants that has been recognised.		
9. Revenue		
De Beers Company - Ponahalo Project	-	74 476
First Rand Empowerment Foundation	13 220 803	-
HCI Foundation	193 241	147 852
The D.G. Murray Trust	25 254 582	27 419 829
USAID	33 426 870	25 534 563
VW	265 309	973 446
Varsity College	-	52 830
	72 360 805	54 202 996

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
10. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	563 191	1 220 432
Depreciation on property, plant and equipment	635 448	420 539
Employee costs	27 638 276	18 630 814
11. Investment revenue		
Interest revenue		
Bank	2 107 482	739 157
12. Taxation		
No provision has been made for 2016 tax as the organisation is a public benefit organisation and is therefore exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act.		
13. Cash generated from operations		
Surplus before taxation	1 445 059	336 969
Adjustments for:		
Depreciation	635 448	420 539
Interest received	(2 107 482)	(739 157)
Finance costs	71 386	-
Changes in working capital:		
Trade and other receivables	(992 385)	(1 094 555)
Prepayments	(769 825)	(850 372)
Trade and other payables	1 028 131	6 098 652
Deferred income	3 564 999	16 833 954
	2 875 331	21 006 030
14. Related parties		
Relationships		
Members of leadership team	JL Jacobsohn R Bukasa (appointed 31 August 2018) BE Rycroft C Chauruka E Buchholz KE Huston TL Seleka (resigned 03 September 2018)	
Compensation to leadership team	4 447 771	3 784 963

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
15. Comparative figures		
Certain comparative figures have been reclassified.		
The effects of the reclassification are as follows:		
Statement of Financial Position		
Trade and other receivables	-	(61 342)
Surplus or Deficit		
Operating expenses	-	61 342

The Nal'ibali Trust

Annual Financial Statements for the year ended 31 December 2018

Detailed Income Statement

Figures in Rand	2018	2017
Revenue	72 360 805	54 202 996
Other income		
Other income	312 863	18 349
Interest received	2 107 482	739 157
	2 420 345	757 506
Operating expenses		
Administration and management fees	-	(251 809)
Advertising	(378 087)	(230 510)
Audit fees	(116 395)	(63 018)
Bank charges	(62 662)	(72 209)
Campaign expenses	-	(2 033 482)
Cleaning	(48 352)	(88 033)
Consulting fees	-	(51 305)
Content development	(27 385 049)	(4 394 012)
Cloud Support	(890 321)	(2 515 395)
Depreciation	(635 448)	(420 539)
Employee costs	(27 638 276)	(18 630 814)
Entertainment	4 824	(145 224)
General expenses	-	(45 596)
Hotline expenses	-	(358 934)
IT expenses	(238 775)	(452 244)
Insurance	(87 332)	(164 783)
Lease rentals on operating lease	(563 191)	(1 220 432)
Platform development	-	(207 202)
PRAESA Consulting expenses	(2 579 670)	(2 421 050)
Printing and stationery	(338 652)	(732 615)
Professional fees	(174)	(2 685)
Promotions	(64 878)	(937 077)
Repairs and maintenance	(83 847)	(196 787)
Research and development costs	(225 295)	(150 396)
Software expenses	(247 669)	(644 583)
Staff welfare	(381 487)	(660 693)
Storage	(55 949)	(64 292)
Supplements	(4 559 031)	(8 168 301)
Telephone and fax	(474 863)	(452 898)
Training	(20 604)	(302 377)
Travel - local	(932 701)	(3 769 218)
USAID project expenses - milestones	(5 199 875)	(4 676 240)
Utilities	(60 946)	(98 780)
	(73 264 705)	(54 623 533)
Operating surplus	1 516 445	336 969
Finance costs	(71 386)	-
Surplus for the year	1 445 059	336 969