

NINE MILES PROJECT
FINANCIAL STATEMENTS
28 FEBRUARY 2018

NINE MILES PROJECT

NPO - Registration number: 116-995

PBO - Registration number: 930 046 181

The following is the information of Nine Miles Project, the managers of the organisation.

FINANCIAL STATEMENTS for the year ended 28 February 2018

MANAGEMENT

S Savel	Chairperson
P Savel	Vice Chairperson
R O'Malley	Director
A Stewart	Treasurer
K Sedres	Secretary

BOARD OF DIRECTORS (Non – voting)

N Savel

ADDRESS

15 Utica Way
Strandfontein Village
Western Cape
7798

ACCOUNTING OFFICER

SAIPA Pr No 7851

C C Borraine
49 Allaman Street
Kuils River
7580

CONTENTS

	PAGE
Statement of management responsibilities	1
Report of the Accounting Officer	2-3
Statement of financial position	4
Statement of changes in equity	5
Statement of comprehensive income	6
Statement of cash flows	7
Notes to the annual financial statements	8-13
Detailed statement of comprehensive income	14-15



ACCOUNTING OFFICER'S REPORT TO THE MANAGEMENT OF NINE MILES PROJECT

Part I

We have performed the duties of accounting officer to Nine Miles Project for the year ended 28 February 2018 as required by Section 17 of the Non-profit Organisations Act, 1997. The annual financial statements set out on pages 3 to 12 are the responsibility of the members. No assurance is required by the Act to be carried out and no assurance engagement was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on the annual financial statements.

We report, as required in terms of section 17(2) of the Non-Profit Organisations Act, 1997 of South Africa, having adopted such procedures and conducting such enquiries in relation to the accounting records as we have agreed with you, that:

- The financial statements of the organisation are consistent with its accounting records;
- The accounting policies of the organisation are appropriate and have been appropriately applied in the preparation of the financial statements; and
- The organisation has complied with the provisions of the NPO Act and of its constitution which relate to financial matters.

Part II

Scope

We have performed the duties of accounting officer as required by Section 62 of the Act and dealt with in Part I of this report, in terms of the procedures agreed with you and described below and in accordance with the framework for accounting officer engagements as adopted by our firm.

The procedures were undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures regarding financial information (ISRS 4400). The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of Nine Miles Project. The procedures were performed solely to assist you in complying with the requirements of the Section 17(2) Non-Profit Organisations Act, 1997 and should be used by you only for this purpose and shall not be distributed to other parties.

NINE MILES PROJECT

NPO - Registration number: 158-736

STATEMENT OF MANAGEMENT RESPONSIBILITIES – NINE MILES PROJECT for the year ended 28 February 2018

The entity is managed in terms of Section 10(1) (cN) of the income tax act and non-profit organisations act No 71,1997. The accounting framework used for the preparation of the financial statements is International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's).

The going concern basis has been adopted in preparing the financial statements.

Management is also responsible for the entity's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the assets, as well as to prevent and detect misstatement and loss. Nothing has come to the attention of management to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

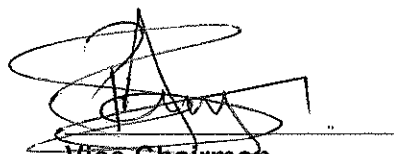
The financial statements have been reviewed by the Accounting Officer, who was given unrestricted access to all financial records and related data. The management believe that all representations made to the accounting officer are valid and appropriate.

The accounting officer's report of Boraine Consulting is presented on page 2.

The financial statements for the year ended 28 February 2018 were approved by the Management of Nine Miles Project and are signed on behalf of the members:



Chairperson
14 July 2018



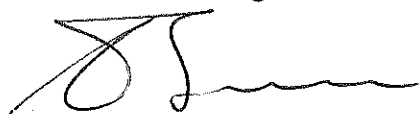
Vice Chairman
14 July 2018

The key procedures are summarized as follows:

1. We obtained the trial balance as at 28 February 2018, and we compared the line items and totals to the financial statements.
2. We compared the closing and opening balances of prior and current financial years; We obtained the bank reconciliations and compared the balance with the amount reflected on the trail balance;
3. We read the accounting policies as presented to us by the organisation and considered whether they are appropriate.
4. We obtained confirmation from staff and management that the organisation is keeping accounting records and have prepared financial statements as prescribed by the NPO Act and the organisations constitution.

Findings

Because the above procedures do not constitute an assurance engagement made in accordance with International Standards on Auditing or International Standards on Review Engagements we do not express any assurance on the annual financial statements. Had we performed additional procedures or had we performed an assurance engagement of the financial statements in accordance with a relevant International Standards such as the International Standard on Review Engagements, other matters might have come to our attention that would have been reported to you.



C C Boraine
Boraine Consulting PTY Ltd
SAIPA-Pr No: 7851
14 July 2018

NINE MILES PROJECT

STATEMENT OF FINANCIAL POSITION
at 28 February 2018

	Notes	2018 R	2017 R
ASSETS			
Fixed assets	4	255 406	306 721
<i>Current assets</i>			
Cash and cash equivalents	5	720	368
Total assets		<u><u>256 126</u></u>	<u><u>307 089</u></u>
EQUITY AND LIABILITIES			
<i>Capital attributable to equity holders of the fund</i>			
Accumulated Surplus		241 926	307 089
		<u>241 926</u>	<u>307 089</u>
Current Liabilities			
Short term loan	6	<u>14 200</u>	<u>-</u>
Total equity and liabilities		<u><u>256 126</u></u>	<u><u>307 089</u></u>

NINE MILES PROJECT

STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2018

	Accumulated surplus	Total
	<u>R</u>	<u>R</u>
2018		
Balance at 1 March 2017	307 089	307 089
Deficit for the year	<u>(65 163)</u>	<u>(65 163)</u>
Balance at 28 February 2018	<u><u>241 926</u></u>	<u><u>241 926</u></u>
2017		
Balance at 1 March	277 380	277 380
Surplus for the year	<u>29 709</u>	<u>29 709</u>
Balance at 28 February 2017	<u><u>307 089</u></u>	<u><u>307 089</u></u>

NINE MILES PROJECT

STATEMENT OF COMPREHENSIVE INCOME for the year ended 28 February 2018

	Notes	2018 R	2017 R
Sales - café		28 320	-
Cost of sales - café		(12 952)	-
Donation Income - Cash		489 175	350 239
Donation Income - Non Cash		81 190	122 766
Donation EPWP Project		107 300	140 280
Donation Other		149 790	147 420
Expenses		<u>(907 986)</u>	<u>(730 996)</u>
Net (Deficit)/surplus before taxation		(65 163)	29 709
Taxation	7	-	-
(Deficit)/surplus for the year		<u>(65 163)</u>	<u>29 709</u>

NINE MILES PROJECT

STATEMENT OF CASH FLOWS
for the year ended 28 February 2018

	Notes	2018 R	2017 R
Cash flow from operating activities			
Cash generated by operations	8	38 060	10 353
<i>Cash flow from investment activities</i>			
Purchase of equipment	4	(51 908)	(11 002)
Short term loan owed	6	14 200	-
Net movement in cash and cash equivalents		352	(649)
Cash and cash equivalents at 1 March		<u>368</u>	<u>1 017</u>
Cash and cash equivalents at 28 February		<u><u>720</u></u>	<u><u>368</u></u>

NINE MILES PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2018

1. GENERAL INFORMATION

Nine Miles Project is a NGO established mainly for the development of the youth and community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Nine Miles Project, have been prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME's). The financial statements have been prepared according to the historical cost convention, and incorporate the principal accounting policies set out below.

The preparation of financial statements in conformity with IFRS for SME's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the NGO's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where there are assumptions and estimates are significant to the financial statements.

- IFRS 1: First-time Adoption of International Financial Reporting Standards - Amendments resulting from 2014-2016 Annual Improvements Cycle (effective 1 January 2018)
- IFRS 9: Financial Instruments - Reissue of a complete standard with all the chapters incorporated (effective 1 January 2018)
- IFRS 15: Revenue from contracts with customers - Clarifications to IFRS 15 (effective 1 January 2018)
- IFRS 16: Leases (effective 1 January 2019)

NINE MILES PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- IAS 40: Investment Property - Amendments clarifies the requirements on transfers to, or from, investment property (effective 1 January 2018)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in South African Rand (ZAR), which is the entity's functional and presentation currency.

NINE MILES PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Plant and equipment

Building improvements consist mainly of upgrades to the club house.
Donation assets are valued at selling price.

All property and equipment is stated at historical cost less accumulated depreciation, considering the residual value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the ministry and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Furniture and fittings	5 years
Surf and training equipment	5 years
Vehicles	4 years
Office equipment	5 years
Building improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NINE MILES PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Income recognition

Income comprises the fair value of the consideration received as donations in the ordinary course of the entities activities. Income is shown net of Value Added Tax, returns, rebates and discounts and after eliminating sales within the entity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Plant and equipment

Depreciation on assets is calculated over their estimated useful lives, considering the residual value of the asset at the end of its useful life.

3.2 Critical judgements in applying the entity's accounting policies

Management did not make any critical judgements in applying the entity's accounting policies.

NINE MILES PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2018

2018

4. FIXED ASSETS	Furniture & Fittings	Vehicles	Surf & Training Equipment	Office Equipment	Building Improvements	Total Carrying Value
Carrying value beginning of year	62 816	-	157 837	46 922	39 146	306 721
Cost price	111 157	-	266 647	75 287	65 242	518 333
Accumulated depreciation	(48 341)	-	(108 810)	(28 365)	(26 096)	(211 612)
Addition - Donations	-	-	70 690	10 500	-	81 190
Purchases	13 113	20 000	12 850	5 945	-	51 908
Sale/donation of assets	-	-	(45 188)	(7 205)	-	(52 393)
Cost price			(91 040)	(9 000)		(100 040)
Accumulated depreciation			45 852	1 795		47 647
Depreciation	(24 404)	(5 000)	(71 354)	(18 214)	(13 048)	(132 020)
Carrying value at end of year	51 525	15 000	124 835	37 948	26 098	255 406
Cost Price	124 270	20 000	259 147	82 732	65 242	551 391
Accumulated depreciation	(72 745)	(5 000)	(134 312)	(44 784)	(39 144)	(295 985)

2017

Carrying value beginning of year	70 622	-	106 128	47 419	52 194	276 363
Cost price	97 182	-	161 282	60 859	65 242	384 565
Accumulated depreciation	(26 560)	-	(55 154)	(13 440)	(13 048)	(108 202)
Addition - Donations	13 975	-	101 805	6 986	-	122 766
Purchases	-	-	3 560	7 442	-	11 002
Depreciation	(21 781)	-	(53 656)	(14 925)	(13 048)	(103 410)
Carrying value at end of year	62 816	-	157 837	46 922	39 146	306 721
Cost Price	111 157	-	266 647	75 287	65 242	518 333
Accumulated depreciation	(48 341)	-	(108 810)	(28 365)	(26 096)	(211 612)

5. CASH AND CASH EQUIVALENTS

	2018 R	2017 R
Cash on hand	<u>720</u>	<u>368</u>

6. SHORT TERM LOAN

The loan bears no interest and is repayable in the following year which relates to a connected person S Save!

	<u>14 200</u>	<u>-</u>
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NINE MILES PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 28 February 2018

7. TAXATION

The project is managed as a NPO Number 116-995, PBO Number 930 046 181. No provision for Income Tax is been made seeing that the NPO is exempt from paying tax in terms of Section 10(1)(cN) of the Income Tax Act.

	2018 R	2017 R
8. CASH (USED)/GENERATED FROM OPERATIONS		
(Deficit)/surplus for the year	(65 163)	29 709
Donations received Non cash assets	(81 190)	(122 766)
Depreciation	132 020	103 410
Loss on sale/donation of fixed assets	52 393	-
	<u>38 060</u>	<u>10 353</u>
Operating surplus before changes in working capital		
	<u>38 060</u>	<u>10 353</u>
Cash generated generated by operations	<u><u>38 060</u></u>	<u><u>10 353</u></u>

9. EVENTS ATER THE REPORTING DATE

No material events which may have a significant influence on the financial position of the entity occurred between the financial year end date and the approval date of the financial statements.

NINE MILES PROJECT

DETAILED STATEMENT OF COMPREHENSIVE INCOME for the year ended 28 February 2018

(This detailed statement of comprehensive income is for the sole purpose of management and does not form part of the Financial Statements).

	2018 R	2017 R
Sales-Café	28 320	-
Cost of Sales - Café	(12 952)	-
Gross surplus	15 368	-
Other Income		
Donations - Cash	489 175	350 239
Donations Non Cash - Fixed assets	81 190	122 766
Donations - EPWP Project	107 300	140 280
Donations - other	149 790	147 420
Events Surfing Competition	1 050	-
Sponsorship	24 750	-
Surf lessons	4 000	32 160
Surfing Projects	95 602	-
Volunteers and other	24 388	115 260
Total income	842 823	760 705
Charitable activities-Welfare expenses	262 939	253 582
Donations	3 880	61 104
Field Trips	28 546	57 969
Food & Supplies	18 684	50 747
Christmas Gifts	24 356	1 131
Clothing	4 297	11 908
Empowerment Trips	50 973	-
Lunches	18 314	28 108
Medical and first aid	3 252	3 789
Mentorship sessions	3 313	-
Pets & Supplies	3 345	-
Training and development	91 059	38 826
Team Building	5 821	-
School uniforms and related expenses	2 339	-
Saloon & Beauty	1 526	-
Vegetable Garden	3 234	-

NINE MILES PROJECT

**DETAILED STATEMENT OF COMPREHENSIVE INCOME (continue)
for the year ended 28 February 2018**

	2018 R	2017 R
Administrative expenses	645 047	477 414
Accounting fees	4 440	300
Annual Surf & Family Event	16 416	-
Bank charges	9 545	9 933
Cleaning	2 983	50
Communication	22 813	23 591
Consulting	2 285	-
Depreciation	132 020	103 410
Fundraising	-	1 050
Interest paid	1	-
Loss on sale of fixed assets	24 603	-
Parking	1 267	-
Printing and stationery	3 933	8 557
Rent, lights and water	26 437	53 820
Repairs and maintenace	8 315	2 100
Salaries	200 809	74 410
Security	1 779	3 279
Stipend	3 896	-
Subscription fee	5 397	-
Travel & Accommodation	1 465	-
Wages	9 055	-
Wages-EPWP Project	107 300	140 280
Vehicle cost & Petrol	60 288	56 634
Net (Deficit)/surplus for the year	(65 163)	29 709