

The Edmund Rice Justice Desk
(Registration number 186-262 NPO)
Annual Financial Statements
for the year ended 28 February 2019

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Human Rights Advocacy
Directors	Bontle Mafojane Keabetswe Samantha Matjila Shari-Ann Kennedy Miles Mafojane Michael Joseph de Klerk Jessica Jane Dewhurst Peter Ross Pierre Le Roux Theodora Luthuli
Registered office	Unit 1, 220 Ottery Road Ottery Cape Town 8001
Bankers	Nedbank Limited
Auditors	Covenant 8 Chartered Accountants Inc. Chartered Accountants (SA) 7th Floor, 5 St Georges St Georges Mall Cape Town 8001 P.O Box 43 Cape Town 8000
Company registration number	186-262 NPO

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Index

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

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Directors' 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 - 13
Notes to the Annual Financial Statements	14 - 15

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

Detailed Income Statement	16
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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Published

13 November 2019

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Directors' Responsibilities and Approval

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 company 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 auditors are 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 company's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on page 8, which have been prepared on the going concern basis, were approved by the board on 13 November 2019 and were signed on its behalf by:

Approval of annual financial statements



Bontle Mafojane



Jessica Jane Dewhurst

Independent Auditor's Report

To the shareholder of The Edmund Rice Justice Desk

Qualified opinion

We have audited the annual financial statements of The Edmund Rice Justice Desk set out on pages 8 to 15, which comprise the statement of financial position as at 28 February 2019, 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 The Edmund Rice Justice Desk as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

In common with other similar organisations, it is not feasible for the organisation to institute control over cash allocations from donations, prior to the initial entry of the collections in the accounting records. Accordingly, it is impractical for us to extend our examination beyond receipts actually recorded.

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 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 annual 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 qualified opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Detailed Income Statement 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 on the other information obtained prior to the date of this auditor's report, 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

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 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 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 directors 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 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 company'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 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 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 company 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.

Independent Auditor's Report

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.



Covenant 8 Chartered Accountants Inc.
Royston Benjamin
Partner
Chartered Accountants (SA)

13 November 2019

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The Edmund Rice Justice Desk for the year ended 28 February 2019.

1. 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 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.

2. Directors

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

Directors

Bontle Mafojane
Keabetswe Samantha Matjila
Shari-Ann Kennedy
Miles Mafojane
Michael Joseph de Klerk
Jessica Jane Dewhurst
Peter Ross
Pierre Le Roux
Theodora Luthuli

3. Borrowing powers

Borrowing capacity is determined by the directors in terms of the Constitution, from time to time.

4. 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.

5. Auditors

Covenant 8 Chartered Accountants Inc. continued in office as auditors for the company for 2019.

At the AGM, the directors will be requested to reappoint Covenant 8 Chartered Accountants Inc. as the independent external auditors of the company and to confirm Royston Benjamin as the designated lead audit partner for the 2020 financial year.

The annual financial statements set out on page 8, which have been prepared on the going concern basis, were approved by the board on 13 November 2019, and were signed on its behalf by:

Approval of annual financial statements



Bontle Mafojane

Wednesday, 13 November 2019



Jessica Jane Dewhurst

Wednesday, 13 November 2019

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	232,920	-
Current Assets			
Cash and cash equivalents	3	82,157	261,333
Total Assets		315,077	261,333
Equity and Liabilities			
Equity			
Net Surplus		203,752	248,183
Liabilities			
Current Liabilities			
Trade and other payables		111,325	-
Provisions		-	13,150
Total Equity and Liabilities		315,077	261,333

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Income

	Note(s)	2019 R	2018 R
Other income	4	1,580,350	1,185,880
Operating expenses		(1,624,781)	(937,697)
Operating (loss) profit		(44,431)	248,183
(Loss) profit for the year		(44,431)	248,183
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(44,431)	248,183

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Statement of Changes in Equity

	Net Surplus R	Total equity R
Surplus for the year	248,183	248,183
Other comprehensive income	-	-
Total comprehensive income for the year	248,183	248,183
Balance at 01 March 2018	248,183	248,183
Deficit for the year	(44,431)	(44,431)
Other comprehensive income	-	-
Total comprehensive loss for the year	(44,431)	(44,431)
Balance at 28 February 2019	203,752	203,752

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash generated from operations	8	57,836	261,333
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(237,012)	-
Total cash movement for the year		(179,176)	261,333
Cash at the beginning of the year		261,333	-
Total cash at end of the year	3	82,157	261,333

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis 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, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 Years
IT equipment	Straight line	3 Years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Accounting Policies

1.3 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.4 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.5 Revenue

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.6 Borrowing costs

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

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	209,000	-	209,000	-	-	-
IT equipment	28,012	(4,092)	23,920	-	-	-
Total	237,012	(4,092)	232,920	-	-	-

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	-	209,000	-	209,000
IT equipment	-	28,012	(4,092)	23,920
	-	237,012	(4,092)	232,920

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank Balance	82,157	261,333
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4. Other income

Donations	133,311	-
Funders	1,447,039	1,185,880
	1,580,350	1,185,880

5. Employee cost

Employee costs		
Basic	934,064	-

6. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

Depreciation		
Property, plant and equipment	4,092	-

7. Taxation

No provision has been made for 2019 tax as the company has incurred a loss and there was no taxable income.

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
8. Cash generated from operations		
(Loss) profit before taxation	(44,431)	248,183
Adjustments for:		
Depreciation and amortisation	4,092	-
Movements in provisions	(13,150)	13,150
Changes in working capital:		
Trade and other payables	111,325	-
	57,836	261,333

The Edmund Rice Justice Desk

(Registration number: 186-262 NPO)

Annual Financial Statements for the year ended 28 February 2019

Detailed Income Statement

	Note(s)	2019 R	2018 R
Other income			
Donations		133,311	-
Funders		1,447,039	1,185,880
		1,580,350	1,185,880
Operating expenses			
Accounting fees		-	13,150
Depreciation, amortisation and impairments		4,092	-
Employee costs		934,064	-
ERD Expenses		386,428	580,439
ERFA Expenses		51,641	215,131
Donations Expenses		248,556	68,977
CBA Expenses		-	60,000
		1,624,781	937,697
(Loss) profit for the year		(44,431)	248,183

