True North Consulting NPC
(Registration number 2003/020144/08)
Annual Financial Statements
for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa	
Directors	Mr C. Stiekema Mr R. Orwin Mr W. Stadler Mrs V. Kumm	(Resigned: 19 June 2014) (Appointed: 19 June 2014)
Registered office	Cnr Berg Street & Vrygrond Avenue Vrygrond Community Centre Vrygrond Cape Town 7945	
Business address	The Vrygrond Centre 16 Berg Street Vrygrond 7945	
Postal address	PO Box 39281 Capricorn Square 7948	
Bankers	Standard Bank	
Auditor's	Cecil Kilpin & Co Chartered Accountants (S.A.) Registered Auditors	
Secretary	Mrs V. Kumm	
Company registration number	2003/020144/08	

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

Level of assurance

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

Independent Auditor's Report

To the members of True North Consulting NPC

We have audited the annual financial statements of True North Consulting NPC, as set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2015, 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 the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with similiar organisations, it is not feasible to institute accounting controls over cash collections from donations prior to the entry of such collections into the accounting records, therefore it is impractical to extend our examinations beyond that of receipts acutally recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of True North Consulting NPC as at 28 February 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Cecil Kilpin & Co
Registered Auditors
Per Partner: S Schonegevel

Century City
Date: 19/08/2015

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA
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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 2016 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 3.

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:

Mrs V. Kumm

Mr W. Stadler

Mr R. Orwin

Cape Town

Date: 19|08|2015

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of True North Consulting NPC for the year ended 28 February 2015.

1. Nature of business

To mobilise and Implement an Early Childhood Development (ECD) strategy in underprivileged communities by teaching, supporting, equipping and connecting ECD stakeholders to prepare all children 0-5 for grade "R" and ultimately setting the foundation for their life-long learning, focussing holistically on: health and safety, ECD teacher training, leadership and management development, parent and community engagement and building new pre-schools.

There have been no material changes to the nature of the company's business from the prior year.

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 and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

3. Directors

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

Directors	**Changes**
Mr C. Stiekema	Resigned 19 June 2014
Mr R. Orwin	Appointed 19 June 2014
Mr W. Stadler	
Mrs V. Kumm	

There have been changes to the directorate during the current year.

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

Cecil Kilpin & Co continued in office as auditors for the company for 2015.

6. Secretary

The company secretary is Mrs V. Kumm.

Postal address

PO Box 39281
Capricorn Square
7948

Business address

The Vrygrond Centre
16 Berg Street
Vrygrond
7945

Statement of Financial Position as at 28 February 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	66,427	35,557
Current Assets			
Trade and other receivables	3	283,156	23,829
Cash and cash equivalents	4	5,042,646	3,131,217
		5,325,802	**3,155,046**
Total Assets		**5,392,229**	**3,190,603**
Equity and Liabilities			
Equity			
Retained income		1,424,850	2,191,782
Liabilities			
Current Liabilities			
Trade and other payables	5	105,820	49,912
Funds received in advance	6	3,861,559	948,909
		3,967,379	**998,821**
Total Equity and Liabilities		**5,392,229**	**3,190,603**

Statement of Profit or Loss and Other Comprehensive Income

	2015 R	2014 R
Other income	3,137,151	3,627,325
Operating expenses	(4,013,518)	(1,896,670)
Operating (loss) profit	**(876,367)**	**1,730,655**
Investment revenue	109,435	37,340
(Loss) profit for the year	**(766,932)**	**1,767,995**
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	**(766,932)**	**1,767,995**

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2013	**423,787**	**423,787**
Profit for the year	1,767,995	1,767,995
Other comprehensive income	-	-
Total comprehensive income for the year	**1,767,995**	**1,767,995**
Balance at 01 March 2014	**2,191,782**	**2,191,782**
Loss for the year	(766,932)	(766,932)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(766,932)**	**(766,932)**
Balance at 28 February 2015	**1,424,850**	**1,424,850**

Statement of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash generated from operations	8	1,853,130	2,781,974
Interest income		109,435	37,340
Net cash from operating activities		**1,962,565**	**2,819,314**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(51,136)	(34,212)
Total cash movement for the year		**1,911,429**	**2,785,102**
Cash at the beginning of the year		3,131,217	346,115
Total cash at end of the year	4	**5,042,646**	**3,131,217**

Accounting Policies

1. Presentation of annual financial statements

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment also include investment property for which fair value cannot be determined without undue cost or effort on an ongoing basis.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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

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

Item	Depreciation method	Average useful life
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Containers	Straight line	5 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the initial cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial Instruments at cost

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

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Financial instruments at fair value

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

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication , the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Accounting Policies

1.5 Impairment of assets (continued)

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 recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 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.

Contingent assets and contingent liabilities are not recognised.

1.7 Revenue

Revenue, comprising of donations and project funding from various donors, is measured at the fair value of the consideration received or receivable exclusive of Value Added Tax. Revenue is recognised as it accrues to the entity in the normal course of business.

1.8 Borrowing costs

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

Notes to the Annual Financial Statements

	2015 R	2014 R

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office equipment	48,683	(48,683)	-	48,683	(48,683)	-
Computer software	65,757	(36,830)	28,927	52,121	(16,564)	35,557
Containers	37,500	-	37,500	-	-	-
Total	**151,940**	**(85,513)**	**66,427**	**100,804**	**(65,247)**	**35,557**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Computer software	35,557	13,636	(20,266)	28,927
Containers	-	37,500	-	37,500
	35,557	**51,136**	**(20,266)**	**66,427**

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Computer software	10,901	34,212	(9,556)	35,557

3. Trade and other receivables

	2015	2014
Deposits	241,177	1,401
VAT	41,979	22,428
	283,156	**23,829**

Deposit: Overcome Educare Building Project

An amount of R241,177 was paid as a deposit on a capital commitment of R550,000 for the Overcome Educare Building Project to be completed in the next financial year.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2015	2014
Cash on hand	20,083	469
Bank balances	5,022,563	3,130,748
	5,042,646	**3,131,217**

5. Trade and other payables

	2015	2014
Trade payables	105,820	47,155
Other payables	-	941
Staff loans	-	1,816
	105,820	**49,912**

Notes to the Annual Financial Statements

	2015 R	2014 R

6. Funds received in advance

ED - Pearsons SA	3,861,559	948,909

Included in the bank balances above is this amount received in advance of our Enterprise Development Program.

7. Auditor's remuneration

Fees	15,000	41,436

8. Cash generated from operations

(Loss) profit before taxation	(766,932)	1,767,995
Adjustments for:		
Depreciation and amortisation	20,266	9,556
Interest received	(109,435)	(37,340)
Changes in working capital:		
Trade and other receivables	(259,327)	51,062
Trade and other payables	55,908	41,792
Funds received in advance	2,912,650	948,909
	1,853,130	**2,781,974**

9. Donations

Donations: Chic Mamas	225,000	165,000
Donations: Chic Mamas Golf Day	92,325	84,780
Donations: ED Services Cost Recovery	1,018,820	51,091
Donations: Enth Degree	-	10,000
Donations: Home Choice	23,640	500,000
Donations: Imagine Investments	100,000	100,000
Donations: Individual Donations	89,848	74,164
Donations: Mandela Day	30,340	-
Donations: The Oppenheimer Memorial Trust	400,000	-
Donations: Other	30,475	25,276
Donations: Pearson Foundation	782,395	2,486,556
Donations: Starbright	120,569	-
Donations: Claude Leon Foundation (distributed by The Learning Trust)	191,579	80,458
Donations: X Chequer	-	50,000
	3,104,991	**3,627,325**

10. Taxation

The entity is registered as a Non-Profit Company in terms of the Companies Act 71, 2008 of South Africa. The entity is exempt from the payment of income tax in terms of Section 18A of the Income Tax Act. In addition, section 10 (1)(cN) of the Income Tax Act exempts receipts and accruals derived from unrelated business undertakings and trading activities to the greater of 5% total receipts and accruals, or R200,000 during the relevant year of assessment.