

**MAKING IT HAPPEN CHILDREN'S PROJECT  
(ASSOCIATION INCORPORATED UNDER SECTION 21)**

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**ANNUAL FINANCIAL STATEMENTS  
29<sup>TH</sup> FEBRUARY, 2008**

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**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated Association not for gain  
under Registration No. 2002/011257/08)

**ANNUAL FINANCIAL STATEMENTS**

**29<sup>TH</sup> FEBRUARY, 2008**

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**REPORT OF THE HONORARY AUDITORS  
TO THE DIRECTORS OF  
MAKING IT HAPPEN CHILDREN'S PROJECT  
(Incorporated association not for gain)**

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**REPORT OF THE INDEPENDENT AUDITORS**

for the year ended 29<sup>th</sup> February, 2008.

**TO THE MEMBERS OF MAKING IT HAPPEN CHILDREN'S PROJECT**

We have audited the annual financial statements of the Association which comprises of the directors' report, the balance sheet as at 29<sup>th</sup> February, 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory notes as set out on pages 3 to 13.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Association's directors are responsible for the preparation and fair presentation of these financial statements in accordance and with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes:- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance and 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 financials statements are free from material misstatement.

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

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

## **OPINION**

Due to the nature of the Association's activities, we are unable to fully verify its receipts. Subject to this, in our opinion, the financial statements present fairly, in all material respects, the financial position of the association as of 29<sup>th</sup> February, 2008, and of its financial performance and its cash flows for the year then ended in accordance and with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

## **SECRETARIAL DUTIES**

Without qualifying our opinion, we draw attention to the fact that with the written consent of all shareholders, we have performed certain technical and secretarial duties.

**S.W. FEINSTEIN**

Registered Auditor

of

**S W FEINSTEIN & CO.**

Chartered Accountants (SA)

**SANDTON**

28<sup>th</sup> October, 2008

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated Association not for gain)  
**REPORT OF THE DIRECTORS**

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The directors present their report for the year ended 29<sup>th</sup> February, 2008. This report forms part of the audited annual financial statements.

**GENERAL REVIEW**

Making it Happen Children's Project is an Association not for gain registered under Section 21 of the Companies Act, 1973, and has Public Benefit Organisation status. (Refer Note 7 to the financial statements). The nature of activities of the Association is to operate and control a safe house for abused children and or neglected and matters related to fighting child abuse in South Africa.

**NON-CURRENT ASSETS**

During the year certain fixed assets were acquired, and there have been no major changes in such assets during the period, nor any changes in the policy relating to their use.

**DIRECTORATE**

During the current accounting period there was no change to the Board. The directors in office at year-end were Mesdames D.L. Meyerson, S.A. Mirk and A.J. van der Westhuizen.

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The signatures of the directors hereunder signify the approval of the Board of Directors of the Annual Financial Statements, of which this Report forms a part.

**ON BEHALF OF THE  
BOARD OF DIRECTORS**

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**SANDTON**

28<sup>th</sup> October, 2008

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated association not for gain)  
**BALANCE SHEET 29<sup>TH</sup> FEBRUARY, 2008**

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	NOTE	R	R
		2008	2007
<b>ASSETS</b>			
<hr/>			
<b>NON-CURRENT ASSETS</b>	1a),2.	235 218	61 066
<b>CURRENT ASSETS</b>		998 877	855 124
Trade and other receivables		—	18 483
Cash and cash equivalents	3.	998 877	836 641
		R 1 234 095	R 916 190
<hr/>			
<b>EQUITY AND LIABILITIES</b>			
<hr/>			
<b>CAPITAL AND RESERVES</b>		1 220 425	905 262
Non-distributable reserve			
<b>CURRENT LIABILITIES</b>	4.	13 670	10 928
Trade and other payables		—	—
		R 1 234 095	R 916 190
		—	—

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated association not for gain)

**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 29<sup>TH</sup> FEBRUARY, 2008**

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	NOTE	R	R
		2008	2007
<b>RECEIPTS</b>	1b).	1 135 503	935 367
<b>OTHER INCOME</b>		82 946	31 777
Interest received		_____	_____
		1 218 449	967 144
<b>LESS ADMINISTRATIVE EXPENDITURE</b>		(903 286)	(727 340)
(Page 14 refers)		_____	_____
		315 163	376 665
<b>TAXATION</b>	7.	(   —  )	(   —  )
		_____	_____
<b>NET SURPLUS, for the year</b>		R 315 163	R 239 804
		_____	_____

**MAKING IT HAPPEN CHILDREN'S PROJECT**

(Incorporated association not for gain)

**CHANGES IN CAPITAL AND RESERVES**

**29<sup>TH</sup> FEBRUARY, 2008**

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	<b>NON-DISTRIBUTABLE RESERVE</b>
	<b>R</b>
<b>BALANCE, 1<sup>st</sup> March, 2006</b>	<b>665 458</b>
<b>ADD net surplus, for the year</b>	239 804 <hr/>
<b>BALANCE, 1<sup>st</sup> March, 2007</b>	<b>905 262</b>
<b>ADD net surplus, for the year</b>	315 163 <hr/>
<b>BALANCE, 29<sup>th</sup> February, 2008</b>	<b>R 1 220 425</b> <hr/>

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated Association not for gain)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 29<sup>TH</sup> FEBRUARY, 2008**

	NOTE	R	R
		2008	2007
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		428 597	246 864
Cash receipts from fundraising		1 117 020	928 344
Cash paid to suppliers		(771 369)	(713 257)
Cash generated from operations	5.1	345 651	215 087
Interest received		82 946	31 777
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	5.2	(266 361)	(5 100)
Acquisition of non-current assets			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS, for the year</b>		162 236	241 764
<b>CASH AND CASH EQUIVALENTS, at beginning of year</b>		836 641	594 877
<b>CASH AND CASH EQUIVALENTS, at end of year</b>		R 998 877	R 836 641

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
(Incorporated Association not for gain)

**NOTES TO THE FINANCIAL STATEMENTS AS AT 29<sup>TH</sup> FEBRUARY, 2008**

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**1. ACCOUNTING POLICIES**

The Association is registered under the Companies Act, 1973 as an association not for gain, and as such no part of its income or property is or shall be transferred to members, directly or indirectly. All reserves of the Association are therefore non-distributable.

The principle accounting policies are:-

**a) Depreciation of non-current assets**

Such non-current assets are being depreciated on a straight line basis, the periods which of depreciation have been determined over their useful lives, are as follows:-

	<b>Years</b>
Motor vehicle	3
Office equipment, furniture and fixtures	6
Computer equipment and software	3

**b) Receipts**

Such receipts represents donations and other non taxable income, derived from:-

	<b>R</b>	<b>R</b>
	<b>2008</b>	<b>2007</b>
National lottery	226 625	—
General public donations	858 918	749 415
Ticket sales and other receipts	49 960	185 952
	<hr/>	<hr/>
	R 1 135 503	R 935 367
	<hr/>	<hr/>

## 2. NON CURRENT ASSETS

The owned assets are as follows :-

	2008			2007		
	ACCUMULATED	CARRYING	VALUE	ACCUMULATED	CARRYING	VALUE
	COST	DEPRECIATION		COST	DEPRECIATION	
	R	R	R	R	R	R
Improvements to						
leasehold property	34 211	( — )	34 211	34 211	( — )	34 211
Motor vehicle	259 000	(86 325)	172 675	—	( — )	—
Office equipment,						
furniture and fixtures	62 145	(34 535)	27 610	55 867	(29 012)	26 855
Computer equipment						
and software	20 343	(19 621)	722	19 260	(29 260)	—
	<u>R 375 699</u>	<u>R (140 481)</u>	<u>R 235 218</u>	<u>R 109 338</u>	<u>R (48 272)</u>	<u>R 61 066</u>

The carrying value of the fixed assets can be reconciled as follows:-

	Carrying value - Opening	Additions	Current Depreciation	Carrying value - Closing
	R	R	R	R
Improvements to				
leasehold property	34 211	—	( — )	34 211
Motor vehicles		259 000	(86 325)	172 675
Office equipment, furniture				
and fixtures	26 855	6 278	( 5 523)	27 610
Computer equipment				
and software	—	1 083	( 361)	722
	<u>R 61 066</u>	<u>R 266 361</u>	<u>R (92 209)</u>	<u>R 235 218</u>

<b>3. CASH AND CASH EQUIVALENTS</b>	<b>2008</b>	<b>2007</b>
Current and savings, with Nedbank Limited, Rivonia Branch, Sandton	R 999 347	R 836 641
	<u>                    </u>	<u>                    </u>

Besides the usage of these funds for day-to-day running expenses, the bulk of such resources are earmarked for the acquisition of an immovable property, for the upliftment of its children residents.

#### **4. TRADE AND OTHER PAYABLES**

This represents a business credit card debt with Nedbank, Rivonia Branch, Sandton, reflecting the amount outstanding at the accounting date.

<b>5. CASH FLOW STATEMENT</b>	<b>R</b>	<b>R</b>
Reconciliation of net surplus before taxation to cash generated from operations		
Net operating surplus	315 163	239 804
Adjustments for:-		
Depreciation	92 209	14 615
Interest received	(82 946)	(31 777)
Operating surplus before working capital changes	<u>324 426</u>	<u>222 642</u>
Working capital changes	21 225	( 7 555)
Increase in trade and other payables	2 742	10 928
Decrease (2007 increase) in trade and other receivables	<u>18 483</u>	<u>(18 483)</u>
<b>5.1 Cash generated for operations</b>	<u>R 345 651</u>	<u>R 215 087</u>
<b>5.2 Acquisition of non-current assets</b>	(266 361)	( 5 100)
Motor vehicle	259 000	—
Office equipment, furniture and fixtures	6 278	5 100
Computer equipment	<u>1 083</u>	<u>—</u>

**6. DIRECTOR'S EMOLUMENTS**

Included in management and staff salaries is the director's emoluments paid as follows:

	R	R
	2008	2007
For services as directors	—	—
Other emoluments	108 180	122 200
	<u>          </u>	<u>          </u>
	R 108 180	R 122 200
	<u>          </u>	<u>          </u>

**7. TAXATION**

No provision has been made for S.A. Normal taxation as the organisation is exempt therefrom, as it has Public Benefit Organisation status.

## MAKING IT HAPPEN CHILDREN'S PROJECT

(Incorporated Association nor for gain)

### ADMINISTRATIVE EXPENDITURE FOR THE YEAR ENDED 29<sup>TH</sup> FEBRUARY, 2008

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	R	R
	2008	2007
Assessment rates, electricity and refuse removal	19 440	15 572
Bank charges	2 943	3 890
Catering and consumables	119 355	105 138
Children's medical expenses	84 196	29 942
Depreciation	92 209	14 615
Fundraising and promotions incurred	23 132	122 971
Motor and travelling	120 210	78 415
Postage, printing and stationery	7 915	8 134
Repairs and maintenance	33 251	36 105
Schooling and clothes	47 752	22 309
Security	4 583	8 359
Management and staff salaries	319 596	253 216
Staff training	4 128	—
Telephone, cellular and fax	24 576	28 674
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	R 903 286	R 727 340
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