

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

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**ANNUAL FINANCIAL STATEMENTS  
28<sup>TH</sup> FEBRUARY, 2009**

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

**ANNUAL FINANCIAL STATEMENTS**

**28<sup>TH</sup> FEBRUARY, 2009**

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The following reports and statements are presented in compliance with the Companies Act.

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The supporting schedules do not form part of the statutory components of the annual financial statements and are presented solely for the information of management. Accordingly, the auditors do not express an opinion on these schedules.	18.

**APPROVAL AND STATEMENT OF DIRECTORS' RESPONSIBILITY**

The directors of the Association are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice in the manner required by the Companies Act, of South Africa.

The directors are also responsible for the Association'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 assets, and to prevent and detect material misstatement and loss.

Nothing has come to the attention of the directors 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 prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 3 – 18 are the responsibility of the directors and have been approved for issue by the Board of Directors, and their signatures are appended hereunder.

**ON BEHALF OF THE  
BOARD OF DIRECTORS**

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**SANDTON**

5<sup>th</sup> November, 2009

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MAKING IT HAPPEN CHILDREN'S PROJECT**

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the annual financial statements of Making it Happen Children's Project, which comprise the directors' report, the balance sheet as at 28<sup>th</sup> February, 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 – 17.

## **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**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as 28<sup>th</sup> February, 2009, and of its financial performance and its cash flows for the period then ended in accordance and with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

## **SUPPLEMENTARY INFORMATION**

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules set out on page 18 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly do not express an opinion on them.

## **SECRETARIAL DUTIES**

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

**S.W. FEINSTEIN**

Registered Auditor

of

**S W FEINSTEIN & CO.**

Chartered Accountants (SA)

**SANDTON**

5<sup>th</sup> November, 2009

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY, 2009**

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**TO THE SHAREHOLDERS**

**MAKING IT HAPPEN CHILDREN'S PROJECT**

The Directors have pleasure in submitting their Report together with the Financial Statements for the year ended 28<sup>th</sup> February, 2009.

**GENERAL REVIEW**

Making it Happen Children's Project, an Association not for gain registered under Section 21, of the Companies Act, 1973 and has Public Benefit Organization status. 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.

**STATEMENTS OF RESPONSIBILITY**

The directors of the Association are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities and in the manner required by the Companies Act, 1973.

The directors are also responsible for the Association'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 assets, and to prevent and detect material misstatement and loss. Nothing has come to the attention of the directors 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 prepared on the going concern basis, since the directors have every reason to believe that the Association has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the Association annual general meeting for the approval of the shareholder. It is possible that amendments may be required prior to shareholder approval being given.

## **FINANCIAL RESULTS**

The results of the Association for the year under review are fully set out in the attached financial statements and require no further comment.

## **POST BALANCE SHEET EVENTS**

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

## **DIRECTORATE**

During the current accounting period there was no change to the Board. The directors in office at year-end were Mesdames DL Meyerson, SA Mirk and AJ van der Westhuizen, whilst no secretary has been appointed.

## **AUDITORS**

S.W. Feinstein & Co will continue in office in accordance with Section 270 (2) of the Companies Act as the Association's auditors.

## **APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The signatures of the Directors appended on page 2 signify the approval of the Board of Directors of the Financial Statements, of which this Directors' Report forms a part.

# MAKING IT HAPPEN CHILDREN'S PROJECT

## BALANCE SHEET 28<sup>TH</sup> FEBRUARY, 2009

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	NOTE	R	R
		2009	2008
<b>ASSETS</b>			
<hr/>			
<b>NON-CURRENT ASSETS</b>	<b>2b),3.</b>	198 212	235 218
<b>CURRENT ASSETS</b>	<b>4.</b>	2 140 485	998 877
Cash and cash equivalents			
		<hr/>	<hr/>
		R 2 338 697	R 1 234 095
		<hr/>	<hr/>
<b>EQUITY AND LIABILITIES</b>			
<hr/>			
<b>CAPITAL AND RESERVES</b>		2 330 296	1 220 425
Non-distributable reserve			
<b>CURRENT LIABILITIES</b>	<b>5.</b>	8 401	13 670
Trade and other payables			
		<hr/>	<hr/>
		R 2 338 697	R 1 234 095
		<hr/>	<hr/>

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
**INCOME STATEMENT FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY, 2009**

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	NOTE	R	R
		<b>2009</b>	<b>2008</b>
<b>RECEIPTS</b>	2c).	1 995 368	1 135 503
<b>OTHER INCOME</b>	6.	148 949	82 946
Interest received			
		2 144 317	1 218 449
<b>LESS ADMINISTRATIVE EXPENDITURE</b>		(1 034 446)	(903 286)
(Refer page 18)			
		1 109 871	315 163
<b>LESS TAXATION</b>	7.	( — )	( — )
		R 1 109 871	R 315 163
<b>NET SURPLUS, for the year</b>		R 1 109 871	R 315 163

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY, 2009**

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**NON-DISTRIBUTABLE  
RESERVE**

R

<b>BALANCE, 1<sup>st</sup> March, 2007</b>	<b>905 262</b>
<b>ADD net surplus, for the year</b>	<b>315 163</b>
	<hr/>
<b>BALANCE, 1<sup>st</sup> March, 2008</b>	<b>1 220 425</b>
<b>ADD net surplus, for the year</b>	<b>1 109 871</b>
	<hr/>
<b>BALANCE, 28<sup>th</sup> February, 2009</b>	<b>R 2 330 296</b>
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**MAKING IT HAPPEN CHILDREN'S PROJECT**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY, 2009**

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	NOTE	R	R
		2009	2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		1 173 030	428 597
Cash receipts from fundraising		1 994 318	1 117 020
Cash paid to service providers		(970 237)	(771 369)
Cash generated from operating activities	9.1	1 024 081	345 651
Interest received		148 949	82 946
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	9.2	(31 422)	(266 361)
Acquisition of non-current assets			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS, for the year</b>		1 141 608	162 236
<b>CASH AND CASH EQUIVALENT, at beginning of year</b>		998 877	836 641
<b>CASH AND CASH EQUIVALENT, at end of year</b>	2e).	R 2 140 485	R 998 877

**MAKING IT HAPPEN CHILDREN'S PROJECT**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS 28<sup>TH</sup> FEBRUARY, 2009**

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**1. GENERAL INFORMATION**

Making it Happen Children's Project is an Association incorporated in the Republic of South Africa. 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.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The basis of preparation and principal accounting policies of the Association, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

**a) Basis of preparation**

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice as approved by the Accounting Practices Board.

**b) Property, plant and equipment**

Property, plant and equipment are tangible assets that:

- a) are held for use in the production or supply of goods or services, for administrative purposes, and
- b) are expected to be used during more than one period.

Items of property plant and equipment are initially recognised at cost, being the cost price equivalent at the recognition date.

Expenditure on additions and improvements to property, plant and equipment is capitalised as the expenditure is incurred.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following average periods are used for the depreciation of property, plant and equipment.

	<b>Years</b>
Motor vehicle	5
Office equipment, furniture and fixtures	6
Computer equipment and software	3

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are regularly reviewed and, if necessary, the consequent depreciable amounts, rates and methods are adjusted at each balance sheet date.

Any changes are accounted for as changes in accounting estimates and included in profit or loss for the current and future periods by adjusting the relevant future depreciation charges.

**c) Receipts**

Such receipts comprises of donations and other non taxable fund raising receipts, derived from:-

	R 2009	R 2008
Department of social development	661 377	—
General public donations	1 292 190	858 918
National lottery	—	226 625
Ticket sales and other receipts	41 801	49 960
	<hr/>	<hr/>
	R 1 995 368	R 1 135 503
	<hr/>	<hr/>

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Association.

**d) Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, which are measured at fair value.

**e) Cash flows**

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks.

**f) Comparative figures**

Where necessary, comparative figures have been adjusted to conform with any changes in presentation in the current year.

### 3. NON-CURRENT ASSETS

The owned assets are as follows :-

	2009			2008		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
	R	R	R	R	R	R
Improvements to leasehold property	34 211	( —)	34 211	34 211	( —)	34 211
Motor vehicle	259 000	(138 125)	120 875	259 000	(86 325)	172 675
Office equipment, furniture and fixtures	93 567	(50 441)	43 126	62 145	(34 535)	27 610
Computer equipment and software	20 343	(20 343)	—	20 343	(19 621)	722
	<u>R 407 121</u>	<u>R (208 909)</u>	<u>R 198 212</u>	<u>R 375 699</u>	<u>R (140 481)</u>	<u>R 235 218</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	172 675	—	(51 800)	120 875
Office equipment, furniture and fixtures	27 610	31 422	(15 906)	43 126
Computer equipment and software	722	—	( 722)	—
	<u>R 235 218</u>	<u>R 31 422</u>	<u>R (68 428)</u>	<u>R 198 212</u>

**4. BANK AND CASH BALANCES****2009****2008**

Bank and cash balances at year-end comprise:

Current and savings, with Nedbank Ltd,  
Rivonia Branch, Sandton.

R 2 140 485

R 998 877

The bulk of these funds have been accumulating for the Association to acquire an immovable property, for purposes of fulfilling its main activity, being the provider of a safe house for abused children.

**5. TRADE AND OTHER PAYABLES**

Trade creditors

R 8 401

R 13 670

Trade payables at the balance sheet date comprise amounts due to suppliers for goods and services. An analysis of these amounts due for the current and prior year is as follows:-

<b>2009</b>	1 – 30 days R 8 401	31-60 days R —	60-90 days R —	>90 days R —	R 8 401
	<hr/>				<hr/>
<b>2008</b>	1 – 30 days 13 670	31-60 days R —	60-90 days R —	>90 days R —	R 13 670
	<hr/>				<hr/>

<b>6. OTHER INCOME</b>	<b>2009</b>	<b>2008</b>
Consists of interest received	R 148 949	R 82 946
	<u>          </u>	<u>          </u>

**7. TAXATION**

No S.A. Normal taxation has been provided for as the organisation is exempt therefrom, as it has public benefit organisation status.

<b>8. DIRECTOR'S EMOLUMENTS</b>	<b>R</b>	<b>R</b>
For services as director	—	—
Other emoluments	144 989	108 180
	<u>          </u>	<u>          </u>
	R 144 989	R 108 180
	<u>          </u>	<u>          </u>

9. CASH FLOW STATEMENT	R	R
	2009	2008
Reconciliation of net profit before taxation to cash utilised for operations		
Net operating surplus	1 109 871	315 163
Adjustments for:-		
Depreciation	68 428	92 209
Interest received	(148 949)	(82 946)
	<hr/>	<hr/>
Loss before working capital changes	1 029 350	324 426
Working capital changes	( 5 269)	21 255
Increase in trade receivables	—	18 483
Decrease in trade and other payables	(5 269)	2 742
	<hr/>	<hr/>
<b>9.1</b> Cash generated by operations	R 1 024 081	R 345 651
	<hr/>	<hr/>
<b>9.2</b> Property, plant and equipment acquired	R 31 422	R 266 361
Motor vehicle	—	259 000
Office equipment, furniture and fittings	31 422	6 278
Computer equipment	—	1 083
	<hr/>	<hr/>

## 10. FINANCIAL ASSETS

Bank balances and cash comprise cash held by the Association and short term bank deposits. The carrying amounts of these assets approximate their fair value.

### Credit risk

The Association's principal financial assets are bank balances and cash which represent the Association's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

The Association has no significant concentration of credit risk, with exposure spread over a large number of counterparties and clients.

## 11. FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for ongoing costs. The directors consider that the carrying value of trade payables approximates to their fair value.

### Liquidity risk

	2009						
	Carrying Amount	Contractual cash flows	less than 6 Months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	R 8 401	R 8 401	R 8 401	R —	R —	R —	R —

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	2008						
	Carrying Amount	Contractual cash flows	less than 6 Months	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	R 13 670	R 13 670	R 13 670	R —	R —	R —	R —

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**MAKING IT HAPPEN CHILDREN'S PROJECT**

(Incorporated Association not for gain)

**ADMINISTRATIVE EXPENDITURE FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY, 2009**

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	R	R
	2009	2008
Accounting fees	5 179	—
Assessment rates, electricity and refuse removal	20 948	19 440
Bank charges	4 403	2 943
Catering and consumables	97 270	119 355
Children's medical expenses	119 597	84 196
Depreciation	68 428	92 209
Fundraising and promotions expenses incurred	97 693	23 132
Insurance	11 446	—
Motor and travelling	103 075	120 210
Postage, printing and stationery	12 973	7 915
Repairs and maintenance	34 781	33 251
Schooling and clothes	72 035	47 752
Security	5 305	4 583
Management and staff salaries	352 263	319 596
Staff training	6 000	4 128
Telephone, cellular and fax	23 050	24 576
	<hr/>	<hr/>
	R 1 034 446	R 903 286
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