

**DAVID RATTRAY FOUNDATION
INCORPORATED**

(Registration No. 2007/015903/08)

ANNUAL FINANCIAL STATEMENTS

28 February 2014

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28 FEBRUARY 2014

These annual financial statements include statements which have been audited in compliance with the Companies Act and are presented as follows:

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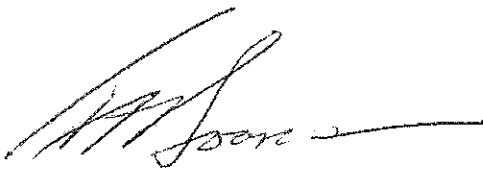
Approval

The annual financial statements set out on pages 7 to 14 are the responsibility of the directors, have been approved and are signed on their behalf by:



N J Rattray

12 March 2015
Date



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DAVID RATTRAY FOUNDATION INCORPORATED

Report on the annual financial statements

We have audited the financial statements of David Rattray Foundation Incorporated set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2014, the income statement, the statement of changes in equity and the 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 financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Compilation of the annual financial statements

These financial statements were compiled by an independent accounting professional whose compilation report is presented on page 4.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 about whether the financial 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 management, 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.

Qualification

As is common to non profit organisations who receive a significant amount of their income by way of donations, we are unable to satisfy ourselves as to the completeness of income disclosed in these financial statements. Accordingly it is impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified audit opinion

In our opinion, except for the effects of the above mentioned qualification, the financial statements present fairly, in all material aspects, the financial position of the company at 28 February 2014, and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities, and in the manner required by the Companies Act of South Africa.

Colenbrander Inc.

Colenbrander Incorporated

Per: G L Banfield

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: 12/3/2015

INDEPENDENT COMPILER'S REPORT TO THE SHAREHOLDERS OF DAVID RATTRAY FOUNDATION INCORPORATED

Report on the annual financial statements

We have compiled the financial statements of David Rattray Foundation Incorporated based on information provided by management. These financial statements are presented in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa. They comprise the statement of financial position as at 28 February 2014, the income statement, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 14.

Management responsibility for the annual financial statements

The company's management are responsible for these financial statements, including adoption of the applicable reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

Compiler's responsibility

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS for SMEs.



Colenbrander Incorporated

Per: I S Colenbrander

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: 19/3/15

DAVID RATTRAY FOUNDATION INCORPORATED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2014

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2014.

General review

David Rattray Foundation Incorporated is a company incorporated in the Republic of South Africa. The principal activity of the company is the promotion of reconciliation between the people of South Africa by promoting discussion through historical and political lectures, nationally and internationally, and to raise funds through these and by any other appropriate means, for upliftment projects in the areas of education and health.

A separate and independent David Rattray Memorial Trust (UK) has been established to commemorate David's memory in the United Kingdom under direction of an Independent Board of Trustees. The UK Trust will conduct fund-raising activities in the UK in support of the work of the S A Foundation.

The foundation also has a direct association with the David Rattray Community Upliftment Trust, a trust that has been specifically formed to administer and distribute funds to be used for the upliftment of the rural population of the Rorke's Drift and Isandlwana communities. Certain directors, notably Mr T A Boardman, Mr R K C Taylor, Mr S B Xaba, Mrs C J Read and Mrs N J Rattray are also trustees of the trust.

No matter which is material to the financial affairs of the company has occurred between 28 February 2014 and the date of approval of the financial statements.

Statements of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the 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 International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act, 2008.

The directors are also responsible for the company's system of internal financial controls. This is 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 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.

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

DAVID RATTRAY FOUNDATION INCORPORATED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2014

Financial results

The results of the company 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.

Directors

The directors of the company during the accounting period and up to the date of this report were as follows:

R K C Taylor
N J Rattray
C J Read
S B Xaba
M R O Makhanya
L V Skhosana
C B Harvie
A G Rattray
M W Mc Culloch
T A Boardman

Auditors

Colenbrander Incorporated will continue in office in accordance with the Companies Act, 2008.

DAVID RATTRAY FOUNDATION INCORPORATED

STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2014

	Notes	2014 R	2013 R
Current assets		1 751 091	3 560 658
Bank, cash and cash equivalents	2	1 751 091	3 560 658
Total assets		<u>1 751 091</u>	<u>3 560 658</u>
Equity and liabilities			
Equity		1 697 667	3 507 234
(Accumulated loss) / retained earnings		(302 333)	1 507 234
Sustainability reserve		2 000 000	2 000 000
Current liabilities		53 424	53 424
Trade and other payables	3	53 424	53 424
Total equity and liabilities		<u>1 751 091</u>	<u>3 560 658</u>

DAVID RATTRAY FOUNDATION INCORPORATED

INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Note	2014 R	2013 R
Income		3 063 692	2 245 333
Overheads		(886 925)	(468 499)
Distribution	4	(3 986 334)	(2 575 711)
Net deficit for the year		<u>(1 809 567)</u>	<u>(798 877)</u>

DAVID RATTRAY FOUNDATION INCORPORATED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2014

	Sustainability reserve R	(Accumulated loss) / retained earnings R	Total R
Balance at 29 February 2012	2 000 000	2 306 111	4 306 111
Net deficit for the year	-	(798 877)	(798 877)
Balance at 28 February 2013	2 000 000	1 507 234	3 507 234
Net deficit for the year	-	(1 809 567)	(1 809 567)
Balance at 28 February 2014	2 000 000	(302 333)	1 697 667

DAVID RATTRAY FOUNDATION INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
Net cash withdrawn from operating activities		(1 809 567)	(919 025)
Cash utilised by operating activities	6.1	<u>(1 809 567)</u>	<u>(919 025)</u>
Net decrease in cash and cash equivalents		<u>(1 809 567)</u>	<u>(919 025)</u>
Cash and cash equivalents at beginning of year		3 560 658	4 479 683
Cash and cash equivalents at end of year	6.2	<u><u>1 751 091</u></u>	<u><u>3 560 658</u></u>

DAVID RATTRAY FOUNDATION INCORPORATED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

1. Basis of preparation and accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. They are presented in South African Rands.

Revenue

Income from donations received is recognised as they are received in cash or any other form.

Financial instruments

Financial instruments as stated on the balance sheet include cash and bank balances, investments, receivables, trade creditors and borrowings. These instruments are generally stated at their estimated fair values.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

Comparative figures

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

2. Bank, cash and cash equivalents

Bank and cash balances at year end comprise:

	2014 R	2013 R
Standard Bank Limited - current account	149 568	76 670
Standard Bank Limited - call account	1 595 019	3 477 484
Petty cash	6 504	6 504
	<u>1 751 091</u>	<u>3 560 658</u>

DAVID RATTRAY FOUNDATION INCORPORATED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014	2013
	R	R
3. Trade and other payables		
Trade creditors	<u>53 424</u>	<u>53 424</u>
4. Distributions: David Rattray Community Upliftment Trust		
School improvement projects		
Building costs	3 189 827	1 791 833
Catering expenses	1 953	-
Computer repairs	77 945	129 930
Artwork and books	1 260	-
Furniture	27 767	191 080
Printing and stationery	-	2 150
School general equipment	8 248	15 540
School sports equipment	37 859	-
School tour expenses	2 472	-
Training costs	240 966	322 413
Training course expenses	369 006	109 365
Travel and accommodation	29 031	13 400
	<u>3 986 334</u>	<u>2 575 711</u>

5. Taxation

No provision has been made for taxation as the company is registered as a Section 21 company under the Companies Act and the company is registered as a Public Benefit Organisation as defined under Section 30 of the Income Tax Act, receipts and accruals are therefore exempt from income tax in terms of section 10(1)(cN) of the act.

DAVID RATTRAY FOUNDATION INCORPORATED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014 R	2013 R
6. Notes to the cash flow statement		
6.1 Reconciliation of deficit to cashflows from operations		
Operating deficit before working capital changes	(1 809 567)	(798 877)
Working capital changes		
Decrease in trade and other payables	-	(120 148)
Cash utilised in operating activities	<u>(1 809 567)</u>	<u>(919 025)</u>
6.2 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank, cash and cash equivalents	<u>1 751 091</u>	<u>3 560 658</u>

DAVID RATTRAY FOUNDATION INCORPORATED

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

	Note	2014 R	2013 R
Income		3 063 692	2 245 333
Donations received		2 996 179	2 128 734
Interest income		67 513	116 599
Overheads		(886 925)	(468 499)
Accounting and professional fees		20 301	15 587
Advertising and promotions		147 224	18 350
Bank charges		15 880	7 313
Consulting fees		-	500
Fundraising and entertainment		8 219	16 116
Funeral costs		2 187	16 612
Incidental costs		90	3 762
Insurance		20 412	11 805
Interest paid		6	10
Motor vehicle expenses		116 282	72 422
Printing costs		-	2 246
Prizes		1 448	6 810
Salaries and wages		252 000	249 326
Security		5 000	-
School equipment		224 265	25 480
Stationery		1 250	4 042
Storage fees		1 150	-
Telephone		22 825	17 144
Travel and accommodation		48 386	974
Distribution to David Rattray Community Upliftment Trust		(3 986 334)	(2 575 711)
School improvement projects	4	3 986 334	2 575 711
Net deficit for the year		<u>(1 809 567)</u>	<u>(798 877)</u>