

**DAVID RATTRAY FOUNDATION  
INCORPORATED**

**(Registration No. 2007/015903/08)**

**ANNUAL FINANCIAL STATEMENTS**

**28 February 2015**

# DAVID RATTRAY FOUNDATION INCORPORATED

(Registration No. 2007/015903/08)

## ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2015


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

  
\_\_\_\_\_  
Date

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2015, the statement of profit or loss, 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 International Financial Reporting Standards 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.

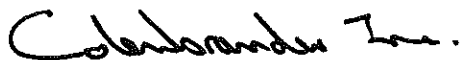
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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.

### Conclusion

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 2015, 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 Incorporated**

**Per: G L Banfield**

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: \_\_\_\_\_

4/5/2016

**COMPILER'S REPORT TO THE MEMBERS 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 International Financial Reporting Standards 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 2015, the statement of profit or loss, 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. 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 International Financial Reporting Standards for Small and Medium-sized Entities.



Colenbrander Incorporated  
Per: I S Colenbrander  
Chartered Accountants (S.A.)  
Hilton

Date: 04/05/16

# DAVID RATTRAY FOUNDATION INCORPORATED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

The directors have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2015.

### 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 SA 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 S B Xaba 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 2015 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 Standards 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 members. It is possible that amendments may be required prior to member approval being given.

# DAVID RATTRAY FOUNDATION INCORPORATED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

### 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 and secretary

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

A G Rattray  
N J Rattray  
M Read  
C B Harvie  
S B Xaba  
T Boardman  
R Woodhead

The name and address of the secretary is as follows:

N J Rattray  
P O Box 456  
Hilton  
3200

### Auditors

Colenbrander Incorporated will continue in office.

# DAVID RATTRAY FOUNDATION INCORPORATED

## STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2015

	Notes	2015 R	2014 R
<b>Assets</b>			
<b>Current assets</b>			
Bank, cash and cash equivalents	2	1 451 033	1 751 090
<b>Total assets</b>		<u>1 451 033</u>	<u>1 751 090</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated loss		(548 967)	(302 335)
Sustainability reserve		2 000 000	2 000 000
<b>Current liabilities</b>		-	53 425
Trade and other payables	3	-	53 425
<b>Total equity and liabilities</b>		<u>1 451 033</u>	<u>1 751 090</u>



# DAVID RATTRAY FOUNDATION INCORPORATED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 R	2014 R
Income		2 147 681	3 063 692
Overheads		(712 313)	(886 925)
Distribution	5	(1 682 000)	(3 986 334)
Net deficit for the year		<u>(246 632)</u>	<u>(1 809 567)</u>

# DAVID RATTRAY FOUNDATION INCORPORATED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2015

	Sustainability reserve R	Accumulated loss R	Total R
Balance at 28 February 2013	2 000 000	1 507 233	3 507 233
Net deficit for the year	-	(1 809 567)	(1 809 567)
Balance at 28 February 2014	2 000 000	(302 335)	1 697 665
Net deficit for the year	-	(246 632)	(246 632)
Balance at 28 February 2015	2 000 000	(548 967)	1 451 033

# DAVID RATTRAY FOUNDATION INCORPORATED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2015

	Notes	2015 R	2014 R
Net cash withdrawn from operating activities		(300 056)	(1 809 568)
Cash utilised by operating activities	6.1	(363 947)	(1 877 075)
Interest received		63 891	67 513
Interest paid		-	(6)
<b>Net decrease in cash and cash equivalents</b>		<b>(300 056)</b>	<b>(1 809 568)</b>
Cash and cash equivalents at beginning of year		1 751 090	3 560 658
Cash and cash equivalents at end of year	6.2	1 451 033	1 751 090

# DAVID RATTRAY FOUNDATION INCORPORATED

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

### 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 International Financial Reporting Standards 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 overdraft.

#### *Comparative figures*

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

# DAVID RATTRAY FOUNDATION INCORPORATED

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015	2014
	R	R
<b>2. Bank, cash and cash equivalents</b>		
Bank and cash balances at year end comprise:		
Standard Bank Limited - current account	95 626	149 567
Standard Bank Limited - call account	1 343 134	1 595 019
Petty cash	12 273	6 504
	<u>1 451 033</u>	<u>1 751 090</u>
<b>3. Trade and other payables</b>		
Trade creditors	<u>-</u>	<u>53 425</u>
<b>4. Distribution</b>		
<b>David Rattray Community Upliftment Trust</b>		
<b>School improvement projects</b>		
Artwork and books	6 136	1 260
Building costs	1 145 810	3 189 828
Catering expenses	99 514	1 953
Computer repairs	55 845	77 945
Furniture	122 258	27 767
School general equipment	60 526	8 248
School sports equipment	2 898	37 859
School tour expenses	6 000	2 472
Training costs	32 934	240 966
Training course expenses	141 783	369 006
Travel and accommodation	8 296	29 031
	<u>1 682 000</u>	<u>3 986 334</u>
<b>5. Taxation</b>		
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 2015

	2015 R	2014 R
<b>6. Notes to the cash flow statement</b>		
<b>6.1 Reconciliation of deficit to cashflows from operations</b>		
Net deficit before taxation	(246 632)	(1 809 567)
Adjustments for:		
Interest received	(63 891)	(67 513)
Interest paid	-	6
Operating deficit before working capital changes	<u>(310 523)</u>	<u>(1 877 075)</u>
Working capital changes		
Decrease in trade and other payables	(53 424)	-
<b>Cash utilised in operating activities</b>	<u><u>(363 947)</u></u>	<u><u>(1 877 075)</u></u>
<b>6.2 Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand, 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><u>1 451 033</u></u>	<u><u>1 751 090</u></u>

# DAVID RATTRAY FOUNDATION INCORPORATED

## DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	2015 R	2014 R
<b>Income</b>		2 147 681	3 063 692
Donations received		2 083 790	2 996 179
Interest received		63 891	67 513
<b>Overheads</b>		(712 313)	(886 925)
Accounting and professional fees		17 288	20 300
Advertising and promotions		3 000	147 224
Bank charges		7 345	15 880
Consulting fees		9 370	-
Fundraising and entertainment		55 971	8 219
Funeral costs		-	2 187
Incidental costs		2 213	90
Insurance		17 562	20 411
Interest paid		-	6
Internet subscription		40 878	22 505
Motor vehicle expenses		89 479	116 282
Printing and stationery		10 077	1 250
Prizes		15 609	1 448
Salaries and wages		254 420	252 000
Security		5 410	5 000
School equipment		217	224 265
Storage fees		-	1 150
Telephone		4 438	320
Travel and accommodation		178 170	48 386
Water and electricity		869	-
<b>Distribution to David Rattray Community Upliftment Trust</b>		(1 682 000)	(3 986 334)
School improvement projects	4	1 682 000	3 986 334
<b>Net deficit for the year</b>		<u>(246 632)</u>	<u>(1 809 567)</u>