





2016/2017 FINANCIAL REPORT READY 4 LIFE TRUST


PROFESSIONAL - SOCIAL - INVOLVED

Ready4Life Trust

 www.ready4life.org

 www.facebook.com/ready4lifeSA

 info@ready4life.org

 +27 41 58 11 516

14 Trafalgar Square, North End
Port Elizabeth, 6001
South Africa

Trust no: IT798/2008
NPO no: 074-127

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1. Financial Statements 2016 / 2017

Ready4Life Trust

The financial Statements in this report show the Financial Statements of Ready4Life Trust No: IT978-2008 and NPO No: 074-127 from 1st of March 2016 until 28th of February 2017. The objective of the organization is: to assist children, youth and unemployed of previously disadvantaged people in reaching their full potential and to create awareness of poverty in First World countries.

The Charter and more comprehensive information about the organization is published on the website of Ready4Life (www.ready4life.org) and in the annual report of Ready4Life. In the annual report a summary explanation of the financial statements is included.

Changes in accounting principles

There have been no changes in accounting principles in 2016/2017.

Presentation

In view of the fact that Ready4Life considers the expenditures on Ready4Life's goals to be its principle objective, it has been decided to deviate from the prescribed model for the presentation of Statement of Income and Expenditure. This statement shows the expenditures before the income. The Statement of Expenditure and Income is shown before the balance sheet. The basis used for the valuation of the expenditure, the assets and the accounting principles are explained in chapter 4 of the financial report. It is recommended this to be read before viewing the statement of expenditure and income and the balance sheet.

1.1 Statement of Expenditure and Income for 2016/2017

(Figures in Rand)

EXPENDITURE	Explanatory notes	2016/2017	2015/2016
Spent on goals			
<i>Main programmes</i>			
- Assisting schools	2.1	868.093	991.891
- 21st Century Workplace Readiness	2.2	210.834	13.334
- Digital class rooms	2.3	238.709	240.816
<i>Supporting and assisting projects</i>			
- Support & Research Centre	2.4	277.906	333.511
- Health, Welfare and other projects	2.5	97.888	18.597
Total spent on goals		1.693.430	1.598.149
Fundraising Costs	2.5	52.849	62.279
Management and Administration	2.6	99.868	257.002
Total Expenditure	2.7	1.846.147	1.917.430
INCOME			
Income from Fundraising	2.8		
Donations		435.167	525.527
Fees and Membership		819.898	792.867
Gifts-in-kind		412.753	390.449
General income (Fundrais events)		148.651	223.581
Interest on investment and financial income		7.330	390
Total income	2.9	1.823.799	1.932.814
Surplus or Deficit		(22.348)	15.384
The surplus or Deficit is added to the:			
General reserve		(22.348)	15.384

1.2 Statement of Financial Position as at 28 February 2017

(Figures in Rand)

ASSETS	Explanatory notes	28 February 2017	29 February 2016
Non-current Assets	3.1		
Property 14 Trafalgar Sq		600.000	600.000
		<u>600.000</u>	<u>600.000</u>
Current Assets	3.2		
Vehicles		100.425	170.359
Hard&Softw are		25.541	56.334
Inventory		33.211	36.230
		<u>159.177</u>	<u>262.923</u>
Account Receivables	3.3		
Deposits on leased property		12.900	12.300
Other deposits		2.400	2.400
Given loans		997	
		<u>16.297</u>	<u>14.700</u>
Cash at bank and in hand	3.4		
Bank		7.857	167.873
Cash		15.777	3.160
		<u>23.634</u>	<u>171.033</u>
Total Assets		<u><u>799.108</u></u>	<u><u>1.048.656</u></u>

1.2 Statement of Financial Position as at 28 February 2017 (Equity and Liabilities)

(Figures in Rand)

EQUITY AND LIABILITIES	Explanatory notes	28 February 2017	29 February 2016
Equity	3.5		
Trust Capital		656.945	608.896
General reserve		7.752	30.100
Distributable reserve (Designated funds)		25.833	182.286
		<u>690.530</u>	<u>821.282</u>
Non-Current Liabilities	3.6	102.232	208.386
Current Liabilities	3.7	6.346	18.988
Total liabilities		<u>799.108</u>	<u>1.048.656</u>

1.2 Statement of Change in Equity as at 28 February 2017

(Figures in Rand)

	Explanatory notes	Trust Capital	General reserve	Distributable reserve (Designated Funds)	Total Equity
Balance at 01 March 2015	3.5		14.716	213.112	227.828
Deficit for the year		506.828	15.384		522.212
Transfer to Trust Capital		102.068			0
Transfer to General reserve					
Transfer to Distributable reserve				(30.826)	-30.826
Total changes		608.896	15.384	-30.826	491.386
Balance at 01 March 2016		608.896	30.100	182.286	821.282
Surplus for the year			(22.348)		-22.348
Transfer to Trust Capital		48.049			48.049
Transfer to General reserve					
Transfer to Distributable reserve				(156.453)	-156.453
Total changes		48.049	(22.348)	(156.453)	-130.752
Balance at 28 February 2017		656.945	7.752	25.833	690.530

2. Notes to the Statement of Expenditure and Income

This chapter explains the expenditure and income in the sequence of the Statement of Expenditure and Income. Note 2.7 A shows the total of all staff expenses with the relevant explanations.

Due to the realigning of the projects and programmes, Ready4life Trust is focusing on 3 main programmes:

1. Assisting Schools
2. 21st Century Workplace Readiness
3. Digital class rooms

Every programme has its own Vision and Mission which serves the organisation Vision and Mission and contains several projects. These are described in the notes hereafter.

To carry out more effectively the main programmes they are assisted and supported by the following projects:

1. Support and Research Centre
2. Health, Welfare and awareness

These programmes are more explained in detail under notes 2.4.

2.1 Assisting schools

Vision

“Children and youth have equal opportunities to achieve their full potential to build up the community”

Mission

“Empowering children and youth in assisting them with education, to improve health and to develop programs for primary schools in previously disadvantaged communities in Eastern Cape.”

Projects

1. Kids @ schools
2. Career & Work Expo's
3. SwimSafe
4. Research by local and international students

Costs for Research by local and international students are directly assigned to the Kids @ Schools, Career & Work Expo's and SwimSafe

2.1.1 Kids @ Schools

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries and stipends local staff	2.7B	64.219	14.388
Other costs staff (transport and phone)	2.7B	102	380
Costs of International volunteers		347.724	352.930
Stationary			145
Printing & Copy		4.282	2.944
Food programme			
		416.327	370.787
Material costs			
Educational material			1.377
Uniforms and shoes		523	
Material Arts & Crafts			845
		523	2.222
Total		416.850	373.009

2.1.2 Career & Work Expo's

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries and stipends local staff	2.7B	29.778	39.769
Other costs staff (transport and phone)	2.7B	31	270
Costs of International volunteers		103.935	128.889
Food & Beverage Exhibitors		5.906	6.073
Stationary, phone, copy costs		3.490	1.680
Printing & Copy		5.841	3.856
Transport material		500	
Publicity		9.741	6.943
Development programm			1.470
Other		1.122	970
		160.344	189.920

(Figures in Rand)

Direct costs (continue)

Material costs

Stand, presenting and tools
Other material

Total

Explanatory notes

2016/2017

2015/2016

759

161.103

189.920

2.1.3 SwimSafe

(figures in Rand)

Direct costs

Operational costs

Salaries and stipends local staff
Other costs staff (transport and phone)
Training and skills development
Costs of International volunteers
Printing & Copy
Postal costs
Development programm
Aw areness

2.7B

2.7B

Explanatory notes

2016/2017

2015/2016

87.644

35.154

3.000

97.057

515

311

223.681

66.459

66.459

290.140

69.127

14.453

93.871

205.876

1.956

10.620

33.059

428.962

66.459

66.459

428.962

Material costs

Training equipment

Total

2.2 21st Century Workplace Readiness

Vision

“Connect people from different backgrounds and cultures to be inspired and thus enabling them to achieve their full potential in the 21st Century”

Mission

“To equip learners, students, unemployed youth and graduates with the necessary skills and knowledge needed in the 21st century working environment and to promote a culture of lifelong learning in order to succeed in life.”

Projects

1. Job readiness & Computer training for unemployed youth
2. Hosting International volunteer's & Intern's

Costs for International volunteers & Intern's hosting are directly assigned to all the projects they assisting at. Costs which are paid for international volunteers and students are carried by themselves in line with visa regulations.

2.2.1 Job readiness & Computer Training for unemployed youth

(Figures in Rand)	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries, stipends and commissions local staff	2.7B	88.029	6.848
Other costs staff (transport and phone)	2.7B	348	431
Costs of International volunteers		114.634	6.055
Training staff and Local volunteers		3.200	
Service providers		2.800	
Printing & Copy		1823	
		210.834	13.334
Material costs			
		0	0
Total		210.834	13.334

2.2.2 Hosting International Volunteers

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Accommodation		679.630	554.718
Transport		118.033	197.285
Guidance and other costs		74.754	113.022
		<u>872.417</u>	<u>865.025</u>
Assigned to projects		(872.417)	(865.025)
Total		<u>0</u>	<u>0</u>

Note

Cost for international volunteers are carried by volunteers themselves and assigned to the different projects.

To be more flexible and lower the financial risk for accommodation, Ready4life was able to convert most lease agreements to a month to month lease. Also Ready4life was able to sign lease agreements whereby Ready4life only has to pay per volunteer if the landlord host volunteers. Ready4life receives invoices in advance for these services and pays off according an agreed payment schedule. Invoices which Ready4life has received in 2016/2017 for hosting of volunteers in 2017/2018 are booked in 2016/2017.

2.3 Digital class rooms

Vision

"That every school in previous disadvantaged communities in Port Elizabeth can provide an optimal educational environment for children en learners, equal as in advanced communities"

Mission

"To give schools access to the global village by providing and maintaining information communication technology infrastructure, interactive learning programmes and support organisation to empower people with enhanced access to information."

Projects

1. Smart school network
2. Assisting schools with IT solutions

2.3.1 Smart School Network

(Figures in Rand)	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries and stipends local staff development	2.7B	18.941	16.942
Other costs staff (transport and phone)	2.7B	3	2.380
Costs of International volunteers		9.171	28.546
Printing & Copy			489
Postal costs		337	
Research and development		161.607	164.378
		190.059	212.735
Material costs			
Network			6.025
Computers & Material		3.178	
Wifi Pilot project		11.830	
		15.008	6.025
Total		205.067	218.760

2.3.2 Assisting schools with IT Solutions

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries and stipends local staff	2.7B	29.543	21.261
Other costs staff (transport and phone)	2.7B		220
Training staff and Local volunteers		2.513	
Printing & Copy			489
Small material		16	
		32.072	21.970
Material costs			
Material for repairs		1.570	
		1.570	
Total		33.642	21.970

2.4 Supporting and assisting projects

To carry out more effectively the main programmes Ready4life Trust has a Support & Research Centre at 14 Trafalgar Sq, North End in Port Elizabeth and executing health, Welfare and awareness projects.

2.4.1 Support & Research Centre

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Facility Management	2.7B	17.253	13.164
Canteen expenses		5.647	5.957
Municipality		3.597	2.467
Electricity, water, sewerage		11.138	10.886
Security		4.973	3.888
Insurance		2.560	2.358
Maintenance		2.397	12.071
Cleaning costs material		446	1.205
Internet		13.214	17.488
Phone		12.733	17.639
Stationery & small inventory		5.147	5.938
Maintenance inventory		1.650	
Interest bond		7.030	11.785
Value difference bond due currency exchange Rand - Euro		14.163	66.988
		101.948	171.834
Material costs			
Purchase building - Part paid off		106.157	122.182
Computer hardware		200	10.706
ICT network			4.121
Computer software		69.601	16.699
Inventory			7.969
		175.958	161.677
Total		277.906	333.511

2.4.2 Health, Welfare and other awareness projects

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Operational costs			
Salaries and stipends local staff		11.120	
Other costs staff (transport and phone)		23	
Costs of International volunteers		78.715	5.190
Social grants, school fees etc		8.030	50
Cultural exchange programm			988
		97.888	6.228
Material expenses			
Aw areness campaigns			12.369
		0	12.369
Total		97.888	18.597

2.5 Fundraising costs

(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct costs			
Salaries and stipends	2.7B	23527	22591
Representation costs fundraising		3.581	900
Thank you gifts			389
Website costs		1.162	1.507
Travel and accommodation costs		14.847	20.851
Phone costs		510	6.316
Brochures, business cards and network subscriptions		5.920	7.667
Branding T-shirts etc			2.058
Other fundraising costs		3.302	
Total		52.849	62.279

2.6 Management and Administration

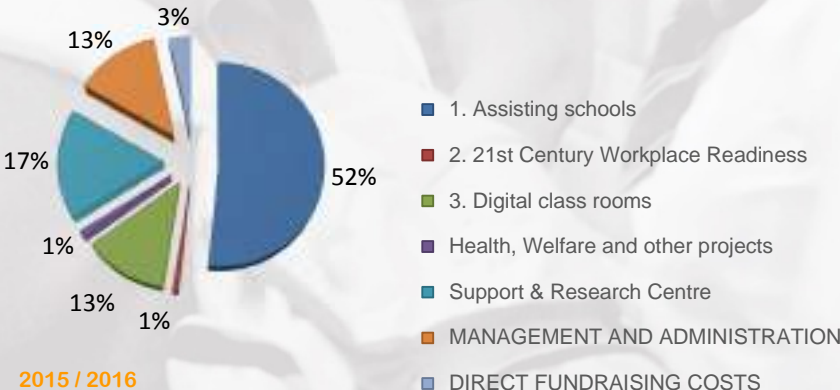
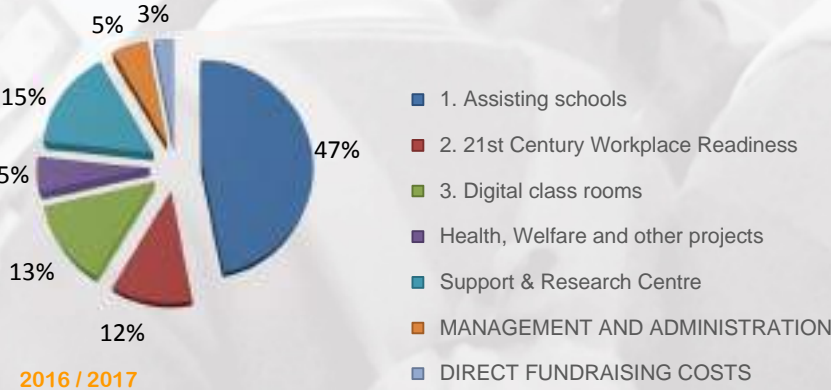
(Figures in Rand)

	Explanatory notes	2016/2017	2015/2016
Direct cost			
Salaries	2.7B	55.766	73.082
Other staff expenses	2.7B	6.136	3.750
Costs of International volunteers			137.539
Office costs		30.722	33.068
External advice and consulting expenses			2.850
Financial costs		7.244	6.713
Total		99.868	257.002

2.7A Composition of the expenditures

In 2016/2017, the total expenditures amounted to ZAR 1.816.147. The expenditures on goals amounted to ZAR 1.693.430 or 91,7% of the total expenditures. Ready4Life has adopted the standard whereby a minimum 80% of the expenditure is to be spent on goals. These goals have been amply reached.

2.7A Composition of expenditure



2.7 B Specification and division of costs own organization according to type and allocation

The summary below shows a total of all costs. Ready4Life wants to show the size and the type of some costs and also indicate their attribution to its main activities. The attribution of costs to the different activities is explained in more detail in chapter 4 accounting principles. The total of the costs and the breakdown of the costs are as follows:

	Spent on goals					Fundraising	Management and Administration	Total 2016/2017	Total 2015/2016
	1. Assisting schools	2. 21st Century Workplace Readiness	3. Digital Class rooms	Supporting and assisting projects	Staff costs hosting Int. Volunteers	Fundraising	Management and administration		
(Figures in Rand)									
Staff members Full- and Part-time	1,4	1	0,7	0,1	1,6	0,2	0,5	5,5	5,6
Number of local volunteers	6	1	1	2	1		1	12	7
Number of international volunteers	62	6	3	13			1	85	69
Staff costs to be divided									
Salaries and stipends	181.641	88.029	48.484	28.373	107.964	23.527	55.766	533.784	392.385
Other staff expenses	35.287		3	23			6.136	41.449	21.884
Training and skill development	3.000	3.200	2.513					8.713	93.871
Costs international volunteers									
Carried by themselves	548.716	114.634	9.171	78.715	(107.964)			643.272	749.812
Other Direct Costs projects	99.449	4.971	178.538	268.683				551.641	577.159
Fundraising costs						29.322		29.322	39.688
Management and Administration									
Office							30.722	30.722	33.068
External advice								0	2.850
Financial costs							7.244	7.244	6.713
Total costs	868.093	210.834	238.709	375.794	0	52.849	99.868	1.846.147	1.917.430

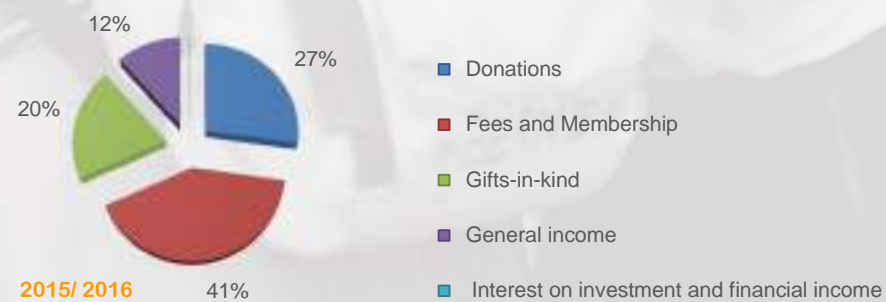
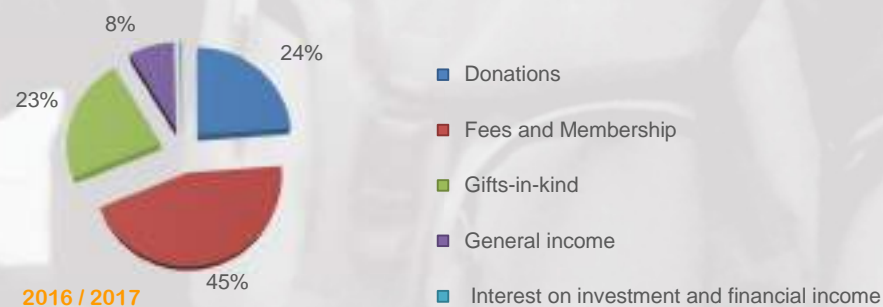
2.8 Income from fundraising

(Figures in Rand)

Explanatory notes

	2016/2017	2015/2016
Donations		
International	274.714	460.701
Local	160.453	64.826
Total	435.167	525.527
Fees and Membership		
International (contribution in costs by International volunteers)	816.818	786.724
Local	3.080	6.143
Total	819.898	792.867
Gifts-in-kind	412.753	390.449
General income		
<i>Net income out of fundrais events</i>		
Income Muffin sale and Gift wrapping	21.646	64.727
Costs	(3.177)	(16.053)
<i>Total net income</i>	18.469	48.674
Other income	130.182	174.907
Total	148.651	223.581
Interest on investment and financial income	7.330	390
Total	1.823.799	1.932.814

2.8A Composition of Income



3. Notes to the Statement of Financial Position

3.1 Property, Vehicles and equipment

	Property 14 Trafalgar Sq	Vehicles	Computer equipment	Inventory	Total
(Figures in Rand)					
Cost/valuation beginning of the year	600.000	186.463	109.012	54.301	949.776
Accumulated depreciation		(16.104)	(52.678)	(18.071)	(86.853)
Carrying value at 1 March 2016	600.000	170.359	56.334	36.230	862.923
Additions		55.600		6.249	61.849
Disposals		(130.072)			(130.072)
Depreciation		4.538	(30.793)	(9.268)	(35.523)
Revaluations					
Carrying value at 28 February 2017	600.000	100.425	25.541	33.211	759.177
Cost/valuation at end of the year	600.000	108.573	109.012	60.550	878.135
Accumulated depreciation		(8.148)	(83.471)	(27.339)	(118.958)
Carrying value at 28 February 2017	600.000	100.425	25.541	33.211	759.177

3.2 Account Receivables

(Figures in Rand)	Explanatory notes	2017	2016
Deposits on leased volunteers houses		12.900	12.300
Deposit Telkom		1.400	1.400
Deposit Municipality		1.000	1.000
Given loans to staff		997	
Balance at 28 February		16.297	14.700

3.3 Cash at bank and in hand

(Figures in Rand)	Explanatory notes	2017	2016
Balance of bank		7.857	167.873
Balance of cash in hand at office		15.777	3.160
Balance at 28 February		23.634	171.033

3.4 Equity

Trust Capital (Figures in Rand)	2017	2016
Balance as per 1 March	608.896	506.828
Transfer to	213.644	192.172
Transfer from	(165.595)	(90.104)
Balance at 28 February	656.945	608.896

Note

The Board of Ready4life has decided to change the accounting policy of recording the assets also at the Statement of Financial position. Donations received by donors for purchasing assets were previously recorded only in the State of Expenses and Income to show donors that the donations are spent. For recording of assets at the Statement of Financial Position an Capital fund is held as part of Trust Capital. Adding, revaluation and depreciation of assets will be recorded in the Capital Fund.

General reserve (Figures in Rand)	2017	2016
Balance as per 1 March	30.100	14.716
Allocation of surplus or deficit	(22.348)	15.384
Balance at 28 February	7.752	30.100

Distributable reserve (Designated funds) (Figures in Rand)

	2017	2016
<i>NLDTF grant 2011</i>		
<i>Total grand</i>	426.224	426.224
Accumulated spent	(243.938)	(243.938)
Balance at beginning of the year	182.286	182.286
Spent	-156.453	
Balance at 28 February	25.833	182.286

3.5 Non-Current Liabilities

(Figures in Rand)	Duration	Interest %	Currency loan agreement	Principal in Euro	Principal in Rand	Balance at 1 March	Repayment during year	Balance at 28 February	Current	Non-Current
<i>Bond - 14 Trafalgar Sq, Port Elizabeth</i>	5	5%	€	35.000	472.677	208.386	(106.154)	102.232		102.232

Note

The Dutch sister organisation Stichting Lim Foundation pays the interest and payback of the bond out of its income. There are no current payments due.

3.4 Current Liabilities

(Figures in Rand)	Explanatory Notes	2017	2016
Tax regarding staff		564	579
Leave Accrual Value and outstanding staff payments		1.542	2.663
Other accruals		4.240	15.746
Balance at 28 February		6.346	18.988

4. Accounting Principles

General

The accounting principles used for the valuation of assets and liabilities are based on historical costs. If not stated differently, assets and liabilities are shown at their nominal value. Revenues and costs are allocated in the period they relate to. Book year period is from the 1st of March 2016 until the 28th of February 2017.

Donations and contributions

Direct public donations and contributions are accounted for on a cash basis.

Operational costs organisation

Ready4Life Trust has 3 main programmes;

1. Assiting schools
2. 21st Century Workplace Readiness
3. Digital class rooms

These programmes are assisted and supported by the following projects:

1. Support and Research centre
2. Health, Welfare and awereness projects

The costs of the activities consist of two components, namely operational costs and material costs. The operational costs are needed to run the programmes and material costs are once-off costs contributing to the programmes.

Events after the reporting period

Events after the reporting period are disclosed. An event after the reporting period is disclosed when it results in significant commitments or downward revaluation of assets.

Income

- *Donations and gifts*

Direct received donations in South Africa from the public and private companies are accounted for on a cash basis.

- *Fees and Memberships*

Received fees in programs and contributions in costs from international volunteers in South Africa are accounted for on a cash basis.

- *General income*

Received general income out of fundraising projects in South Africa are accounted for on a cash basis

Costs fundraising

Fundraising costs relate to all costs of activities with the direct or indirect purpose to donate money for one or more goals of Ready4Life. Ready4Life has adopted the standard whereby the maximum costs for fundraising may not exceed more than 15% of total income.

Management and Administration Expenses

Management and Administration costs relate to the costs made for managing the organization. In addition, 100% of the costs of the annual report have been allocated to "Management and Administration" costs. The costs of recruiting staff to work at the Ready4Life Office and also costs for general financial administration, planning and control, the (majority of) legal expenses, as well as costs of Management staff have been included in this category.

Currency exchange conversion

Loans, bonds, Income and expenses which are in another currency are converted to Rand based on the monthly average exchange rate provided by Standard Bank.

Assets

Property and equipment are valued at cost price, less straight-line depreciation, based on the expected economic life of the asset in accordance with SARS regulations.

Non-current Liabilities

Non-current Liabilities are liabilities with a term of more than one year.

Current Liabilities

Current Liabilities are liabilities with a term less than one year.

Cash at bank and in hand

Cash at bank and in hand concern the balances of cash and bank accounts of projects and of the Ready4Life Office that holds accounts for project funds.



11 December 2017

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDING 28 FEBRUARY 2017

To the trustees of

READY 4 LIFE TRUST
REG NO: IT 798/2008
074-127-NPO

We have performed the duties of Accounting Officer to READY 4 LIFE TRUST, as required by the NPO Act, as amended, for the year ending 28 February 2017.

The NPO Act does not require an audit to be carried out and no audit was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on these financial statements.

The annual financial statements have been compiled by management of the trust, in accordance with the International Standard on Related Services applicable to compilation engagements (ISRS 4410). These annual financial statements comprise the balance sheet of READY 4 LIFE TRUST as at 28 February 2017, and the related income statement for the year then ended, as set out on pages 1 to 24. The annual financial statements are the responsibility of the trustees.

We have determined that the annual financial statements are in agreement with the accounting records, and have done so by adapting such procedures, and conducting such enquiries in relation to the accounting records, as we considered necessary in the circumstances. We have also reviewed the accounting policies that the trustees applied in the preparation of the annual financial statements, and we consider them to conform with generally accepted accounting practice, appropriate to the business of the trust.

Bachus Financial Services cc
Registered Business Accountants
Southern Africa Institute of Business Accountants
Ernest Pretorius (SAIBR)
SAIBR-168

Port Elizabeth
11 December 2017

ACCOUNTING - TAXATION - FINANCIAL MANAGEMENT - PAYROLL - REGISTRATIONS

Tel: 041 263 0223 Fax: 041 4884 4884 Email: info@bachus.co.za Web: www.bachus.co.za
8 Kenneth Avenue, Glenwood, Port Elizabeth, 6140 P.O. Box 70550, 114 Melville, Port Elizabeth, 6132
Bachus Financial Services CC Reg No. 2007/010292/23 Vat No: 4875 234 813
Registered Business Accountants (SAIBR-168), Registered Tax Practitioners (PTK-8273842)