

The Lunchbox Fund South Africa (NPC)
(Registration number 2012/168298/08
NPO number: 136-386 NPO)
Financial statements
for the year ended 31 December 2017

The Lunchbox Fund South Africa (NPC)

(Registration number: 2012/168298/08)

NPO number: 136-386 NPO)

Financial Statements for the year ended 31 December 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Charitable literary, scientific and educational projects and also for non-profit and non-partisan purposes
Directors	T.T. Page-Green G.B. Wilkinson V.C. van Dyk S. Wildish
Registered office	3 Guildford Road Rosebank Cape Town 7700
Bankers	FirstRand Bank Limited
Auditors	Horwath Leveton Boner Registered Auditors PO Box 652550 Benmore 2010 South Africa
Company registration number	2012/168298/08 NPO number: 136-386 NPO
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: G. Phillips Professional Accountant (SA)
Issued	04 April 2018

The Lunchbox Fund South Africa (NPC)

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Financial Statements for the year ended 31 December 2017

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2018 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 5.

The financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the board on 04 April 2018 and were signed on its behalf by:

Director 

Director 

The Lunchbox Fund South Africa (NPC)

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Directors' Report

The directors have pleasure in submitting their report on the financial statements of The Lunchbox Fund South Africa (NPC) for the year ended 31 December 2017.

1. Nature of business

The Lunchbox Fund South Africa (NPC) was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

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 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors

T.T. Page-Green

G.B. Wilkinson

V.C. van Dyk

S. Wildish

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

Horwath Leveton Boner continued in office as auditors for the company for 2017.

7. Liquidity and solvency

The directors have reviewed the liquidity and solvency of the company as required in terms of Section 4 of the Companies Act and are satisfied that the required provisions have been complied with.

Independent Auditor's Report

To the members of The Lunchbox Fund South Africa (NPC)

Qualified opinion

We have audited the financial statements of The Lunchbox Fund South Africa (NPC) set out on pages 7 to 13, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of The Lunchbox Fund South Africa (NPC) as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting control over cash collections. Accordingly, it was impracticable for us to extend our examination beyond receipts actually recorded.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

C.S. George
Partner
Registered Auditor

04 April 2018
Sandton

The Lunchbox Fund South Africa (NPC)

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Financial Statements for the year ended 31 December 2017

Statement of Financial Position as at 31 December 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets			
Trade and other receivables	2	249 491	70 828
Cash and cash equivalents	3	3 949 878	1 920 385
		<u>4 199 369</u>	<u>1 991 213</u>
Total Assets		<u>4 199 369</u>	<u>1 991 213</u>
Equity and Liabilities			
Equity			
Retained income		<u>4 193 616</u>	<u>1 922 299</u>
Liabilities			
Current Liabilities			
Trade and other payables	4	<u>5 753</u>	<u>68 914</u>
Total Equity and Liabilities		<u>4 199 369</u>	<u>1 991 213</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	5	11 733 216	4 855 636
Operating expenses		(9 607 339)	(7 414 105)
Operating profit (loss)	6	2 125 877	(2 558 469)
Investment revenue	7	145 440	151 863
Profit (loss) for the year		2 271 317	(2 406 606)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		2 271 317	(2 406 606)

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2016	4 328 905	4 328 905
Loss for the year	(2 406 606)	(2 406 606)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2 406 606)	(2 406 606)
Balance at 01 January 2017	1 922 299	1 922 299
Profit for the year	2 271 317	2 271 317
Other comprehensive income	-	-
Total comprehensive income for the year	2 271 317	2 271 317
Balance at 31 December 2017	4 193 616	4 193 616

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Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from (used in) operations	9	1 884 053	(2 560 383)
Interest income		145 440	151 863
Net cash from operating activities		2 029 493	(2 408 520)
Total cash movement for the year		2 029 493	(2 408 520)
Cash at the beginning of the year		1 920 385	4 328 905
Total cash at end of the year	3	3 949 878	1 920 385

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Revenue

Donations and grants received are accounted for on the receipt basis.

Interest is recognised, in profit or loss, based on the interest earned on credit balances on account balances.

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Notes to the Financial Statements

Figures in Rand	2017	2016
2. Trade and other receivables		
VAT	<u>249 491</u>	<u>70 828</u>
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>3 949 878</u>	<u>1 920 385</u>
4. Trade and other payables		
Trade payables	5 753	26 911
Other accrued expenses	-	42 003
	<u>5 753</u>	<u>68 914</u>
5. Revenue		
Donations received	<u>11 733 216</u>	<u>4 855 636</u>
6. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Profit (loss) on disposal	-	-
Employee costs	<u>1 260 517</u>	<u>929 400</u>
7. Investment revenue		
Interest revenue		
Bank	<u>145 440</u>	<u>151 863</u>
8. Taxation		
No provision has been made for 2017 tax as the company is an association not for gain in terms of the Companies Act of South Africa and the Receiver of Revenue has granted exemption from taxation in terms of section 10(1)(cN) and section 56(1) of the Act. No provision has been made for 2017 tax as the company has no taxable income.		
9. Cash generated from (used in) operations		
Profit (loss) before taxation	2 271 317	(2 406 606)
Adjustments for:		
Interest received	(145 440)	(151 863)
Changes in working capital:		
Trade and other receivables	(178 663)	(70 828)
Trade and other payables	(63 161)	68 914
	<u>1 884 053</u>	<u>(2 560 383)</u>

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Figures in Rand

2017

2016

10. Directors' remuneration

Executive

2017

	Emoluments	Total
For services as a director	520 000	520 000

2016

	Emoluments	Total
For services as a director	455 000	455 000

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Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Revenue			
Donations received		<u>11 733 216</u>	<u>4 855 636</u>
Other income			
Interest received	7	<u>145 440</u>	<u>151 863</u>
Operating expenses			
Bank charges		(10 439)	(9 481)
Employee costs		(1 260 517)	(929 400)
Entertainment		(702)	(2 386)
Finance, Governance and Legal fees		(51 932)	(83 635)
Food packages		(6 721 017)	(5 295 844)
IT expenses		(3 141)	(1 698)
Marketing expenses- information packs		(712)	(2 540)
Monitoring and Evaluation expenses		(936 703)	(552 737)
Postage		(4 792)	(1 346)
Printing and stationery		(2 028)	(2 160)
Program materials / Designer fees		(44 170)	(28 647)
Telephone and fax		(37 370)	(24 264)
Training		(19 000)	-
Travel - local		(57 364)	(41 926)
Volunteer Stipends		(457 452)	(438 041)
		<u>(9 607 339)</u>	<u>(7 414 105)</u>
Profit (loss) for the year		<u>2 271 317</u>	<u>(2 406 606)</u>