

The Lunchbox Fund South Africa (NPC)
(Registration number 2012/168298/08
NPO number: 136-386 NPO)
Financial statements
for the year ended 31 December 2016

The Lunchbox Fund South Africa (NPC)

(Registration number 2012/168298/08

NPO number: 136-386 NPO)

Financial Statements for the year ended 31 December 2016

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
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act.
Preparer	The financial statements were independently compiled by: R.D. Potgieter Chartered Accountant (SA)
Issued	12 May 2017

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Financial Statements for the year ended 31 December 2016

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Directors' Responsibilities and Approval

The directors are required by the Companies Act, 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 auditor's is 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 2017 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 auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 4.

The financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 12 May 2017 and are signed on its behalf by:



Director



Director

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 2016, 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 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 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act.

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 which comprises the directors' report as required by the Companies Act. We obtained the directors' report prior to the date of this report.

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, as well as for overseeing the company's financial reporting process. The directors are responsible for such internal control as is determined 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.

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Associate: Horwath Zeller Karro and Crowe Horwath RMA (Pty) Ltd

Audit / Tax / Advisory / Forensics / Wealth Management

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



C.S. George
Partner
Registered Auditors

12 May 2017
Sandton

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Financial Statements for the year ended 31 December 2016

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 2016.

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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act. 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. 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.

7. Auditors

Horwath Leveton Boner continued in office as auditors for the company for 2016.

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Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note	2016	2015
Assets			
Current Assets			
Trade and other receivables	2	70 828	-
Cash and cash equivalents	3	1 920 385	4 328 905
		1 991 213	4 328 905
Total Assets		1 991 213	4 328 905
Equity and Liabilities			
Equity			
Retained income		1 922 299	4 328 905
Liabilities			
Current Liabilities			
Trade and other payables	4	68 914	-
Total Equity and Liabilities		1 991 213	4 328 905

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Statement of Comprehensive Income

Figures in Rand	Note	2016	2015
Revenue	5	4 855 636	6 136 426
Operating expenses		(7 414 105)	(5 176 556)
Operating (loss) profit	6	(2 558 469)	959 870
Investment revenue	7	151 863	199 348
(Loss) profit for the year		(2 406 606)	1 159 218
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(2 406 606)	1 159 218

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Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2015	3 169 687	3 169 687
Profit for the year	1 159 218	1 159 218
Other comprehensive income	-	-
Total comprehensive income for the year	1 159 218	1 159 218
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 31 December 2016	1 922 299	1 922 299

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Statement of Cash Flows

Figures in Rand	Note	2016	2015
Cash flows from operating activities			
Cash (used in) generated from operations	9	(2 560 383)	899 185
Interest income		151 863	199 348
Net cash from operating activities		(2 408 520)	1 098 533
Total cash movement for the year		(2 408 520)	1 098 533
Cash at the beginning of the year		4 328 905	3 230 372
Total cash at end of the year	3	1 920 385	4 328 905

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Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act. The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

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. All 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. Any debt instrument which effectively constitutes a financing transaction, is subsequently measured at amortised cost using the effective interest method.

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 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.4 Revenue

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

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

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Notes to the Financial Statements

Figures in Rand	2016	2015
2. Trade and other receivables		
VAT	70 828	-
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	1 920 385	4 328 905
4. Trade and other payables		
Trade payables	26 911	-
Other accrued expenses	42 003	-
	68 914	-
5. Revenue		
Donations received	4 855 636	6 136 426
6. Operating (loss) profit		
Operating (loss) profit for the year is stated after accounting for the following:		
Profit (loss) on disposal		
Employee costs	929 400	490 817
7. Investment revenue		
Interest revenue		
Bank	151 863	199 348
8. Taxation		
No provision has been made for 2016 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 tax as the company has no taxable income.		
9. Cash (used in) generated from operations		
(Loss) profit before taxation	(2 406 606)	1 159 218
Adjustments for:		
Interest received	(151 863)	(199 348)
Changes in working capital:		
Trade and other receivables	(70 828)	-
Trade and other payables	68 914	(60 685)
	(2 560 383)	899 185

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Notes to the Financial Statements

Figures in Rand	2016	2015
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10. Directors' remuneration

Executive

2016

S. Wildish	Emoluments 455 000	Total 455 000
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2015

S. Wildish	Emoluments 288 000	Total 288 000
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Detailed Income Statement

Figures in Rand	Note	2016	2015
Revenue			
Donations received		4 855 636	6 136 426
Other income			
Interest received	7	151 863	199 348
Operating expenses			
Bank charges		9 481	7 473
Consulting and professional fees		-	8 250
Donations		-	3 000
Employee costs		929 400	490 817
Entertainment		2 386	5 755
Finance, Governance and Legal fees		83 635	5 502
Food packages		5 295 844	4 145 288
IT expenses		1 698	1 600
Marketing expenses - information packs		2 540	5 362
Monitoring and Evaluation expenses		552 737	108 505
Postage		1 346	7 480
Printing and stationery		2 160	19 748
Program materials / Designer fees		28 647	7 550
Telephone and fax		24 264	19 892
Travel - local		41 926	65 994
Volunteer Stipends		438 041	274 340
		7 414 105	5 176 556
(Loss) profit for the year		(2 406 606)	1 159 218