SOUTH AFRICAN MONITORING AND EVALUATION NPC

(REGISTRATION NUMBER 2005/043931/08)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Promote Monitoring and Evaluation as a practice that benefits society
Directors	Terence Beney Irene Mathenjwa Rae Wolpe Jabulani Mathe Stanley Ntakumba Mike Leslie Dugan Fraser Ramesh Maharaj Richard Levin Taurai Bwerinofa
Registered office	26 7th Avenue Parktown North 2193
Postal address	PO Box 923 Parklands 2121
Auditors	Boshoff Visser Incorporated Chartered Accountants (S.A.) Registered Auditors
Company registration number	2005/043931/08
Tax reference number	9038/068/17/8
Published	16 April 2014

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The reports and statements set out below comprise the financial statements presented to the directors:

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 of directors 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 28 February 2015 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 reviewing 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 4.

The financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the board of directors on 16 April 2014 and were signed on its behalf by:

Director **Director**

BOSHOFF
incorporated ingelyf

Chartered Accountants (SA)
Geoktrooieerde Rekenmeesters (SA)

PO Box / Posbus 5530
Tyger Valley / Tygervallei 7536
3 High Street, Rosenpark
Bellville
7530

Tel: (021) 914 9604
Fax / Faks: (021) 914 9607
Email / Epos: bellville@boshoffvisser.co.za
www.boshoffvisser.co.za

Independent Auditors' Report

To the directors of South African Monitoring en Evaluation

We have audited the financial statements of South African Monitoring en Evaluation NPC, as set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2014, and the statement of comprehensive income, statement of changes in equity and 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 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 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 misstatements, whether due to fraud or error.

Auditors' 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 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 auditors' 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Monitoring en Evaluation NPC as at 28 February 2014, and its financial performance and its 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.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 12 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

WJ Jonck
Director
Registered Auditors

16 April 2014

Directors' Report

The directors submit their report for the year ended 28 February 2014.

1. Review of activities

Main business and operations

The company is engaged in promote monitoring and evaluation as a practice that benefits society and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

3. Non-current assets

There was no major changes in the nature of the non-current assets of the company during the year.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name
Terence Beney
Irene Mathenjwa
Rae Wolpe
Jabulani Mathe
Stanley Ntakumba
Mike Leslie
Dugan Fraser
Ramesh Maharaj
Richard Levin
Taurai Bwerinofa

5. Auditors

Boshoff Visser Incorporated will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Statement of Financial Position as at 28 February 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	1	1
Current Assets			
Cash and cash equivalents	3	840 779	1 084 364
Total Assets		**840 780**	**1 084 365**
Equity and Liabilities			
Equity			
Retained income		838 889	1 083 396
Liabilities			
Current Liabilities			
Trade and other payables	4	1 891	969
Total Equity and Liabilities		**840 780**	**1 084 365**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue			
Sponsorships received		1 413 266	323 309
Membership fees		104 276	134 779
	5	**1 517 542**	**458 088**
Other income			
Interest received		15 998	14 106
Operating expenses			
Accounting fees		(17 271)	(17 180)
Advertising		-	(5 827)
Bank charges		(6 053)	(4 707)
Employee costs		(63 657)	(81 262)
Entertainment		(2 325)	-
Conference expenses		(1 487 231)	(123 646)
Honorarium		-	(27 000)
Information technology expense		(31 863)	-
Workshop presenters		-	(54 880)
Postage		(99)	(500)
Telephone and fax		(250)	-
Travel and accommodation		(168 377)	(51 515)
		(1 777 126)	**(366 517)**
Operating (loss) profit		**(243 586)**	**105 677**
Finance costs	6	(921)	(87)
(Loss) profit for the year		**(244 507)**	**105 590**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2012	**977 806**	**977 806**
Changes in equity		
Profit for the year	105 590	105 590
Total changes	105 590	105 590
Balance at 01 March 2013	**1 083 396**	**1 083 396**
Changes in equity		
Loss for the year	(244 507)	(244 507)
Total changes	(244 507)	(244 507)
Balance at 28 February 2014	**838 889**	**838 889**

Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash (used in) generated from operations	7	(258 662)	205 161
Interest income		15 998	14 106
Finance costs		(921)	(87)
Net cash from operating activities		**(243 585)**	**219 180**
Total cash movement for the year		**(243 585)**	**219 180**
Cash at the beginning of the year		1 084 364	865 184
Total cash at end of the year	3	**840 779**	**1 084 364**

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 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 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

Accounting Policies

1.3 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

Figures in Rand	2014	2013

2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
IT equipment	7 350	(7 349)	1	7 350	(7 349)	1

Reconciliation of property, plant and equipment - 2014

	Opening balance	Total
IT equipment	1	1

Reconciliation of property, plant and equipment - 2013

	Opening balance	Total
IT equipment	1	1

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2014	2013
Bank balances	840 779	1 084 364

4. Trade and other payables

	2014	2013
Trade payables	1 891	969

5. Revenue

	2014	2013
Sponsorships received	1 413 266	323 309
Membership fees	104 276	134 779
	1 517 542	**458 088**

6. Finance costs

	2014	2013
Interest paid	921	87

7. Cash (used in) generated from operations

	2014	2013
(Loss) profit before taxation	(244 507)	105 590
Adjustments for:		
Interest received	(15 998)	(14 106)
Finance costs	921	87
Changes in working capital:		
Trade and other receivables	-	113 475
Trade and other payables	922	115
	(258 662)	**205 161**