

**FEDERATION FOR SUSTAINABLE ENVIRONMENT NPC**  
**(REGISTRATION NUMBER 2007/033134/08)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2017**

Burger and Vorster Inc  
Chartered Accountants (SA)  
Registered Auditor  
**Issued 24 January 2018**

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**FEDERATION FOR SUSTAINABLE ENVIRONMENT NPC**  
(REGISTRATION NUMBER 2007/033134/08)  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

**GENERAL INFORMATION**

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|--|---|
| <b>COUNTRY OF INCORPORATION AND DOMICILE</b>       | South Africa  |
| <b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b> | Non profit company - promoting the ecological sustainability of development   |
| <b>DIRECTORS</b>                                   | M Lieverink<br>JP Pretorius<br>A Janse van Rensburg   |
| <b>REGISTERED OFFICE</b>                           | 44 Broadlands<br>C/O Cedar and Rosewood Road<br>Broad Acres<br>Fourways<br>Sandton  |
| <b>POSTAL ADDRESS</b>                              | 44 Broadlands<br>C/O Cedar and Rosewood Road<br>Broad Acres<br>Fourways<br>Sandton  |
| <b>AUDITORS</b>                                    | Burger and Vorster Inc<br>Chartered Accountants (SA)<br>Registered Auditor  |
| <b>COMPANY REGISTRATION NUMBER</b>                 | 2007/033134/08  |
| <b>TAX REFERENCE NUMBER</b>                        | 9284/573/16/0   |
| <b>LEVEL OF ASSURANCE</b>                          | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| <b>PREPARER</b>                                    | The annual financial statements were independently compiled by:<br>Awie Bosman<br>Institute of Accounting and Commerce (SA)         |
| <b>ISSUED</b>                                      | 24 January 2018   |

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**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 annual financial statements.

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

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 24 January 2018 and were signed on its behalf by:

  
M Lieferink



## INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Federation for sustainable environment NPC

### Opinion

We have audited the annual financial statements of Federation for sustainable environment NPC set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 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 annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Federation for sustainable environment NPC as at 28 February 2017, 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 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 annual financial statements and our auditor's report thereon.


Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

  
Burger and Vorster Inc  
W Burger  
Director  
Chartered Accountants (SA)  
Registered Auditor

24 January 2018  
Pretoria



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**DIRECTORS' REPORT**

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The directors have pleasure in submitting their report on the annual financial statements of Federation for sustainable environment NPC for the year ended 28 February 2017.

**1. NATURE OF BUSINESS**

Federation for sustainable environment NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

The company is one of the environmental activist stakeholders in the mining industry.

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 annual 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 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 annual financial statements.

**3. DIVIDENDS**

No dividends have been declared for the period under review.

**4. DIRECTORS**

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

**DIRECTOR**

M Liefferink  
JP Pretorius  
A Janse van Rensburg

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

**5. 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.

**6. GOING CONCERN**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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.

**7. AUDITORS**

Burger and Vorster Inc continued in office as auditors for the company for 2017.

At the AGM, the shareholders will be requested to reappoint Burger and Vorster Inc as the independent external auditors of the company and to confirm Mr W Burger as the designated lead audit partner for the 2018 financial year.

**8. ACCOUNTANT**

The company accountant is Awie Bosman.



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**9. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

The annual financial statements have been authorised for issue by the directors on 24 January 2018. No authority was given to anyone to amend the financial statements after the date of issue.

**10. ACKNOWLEDGEMENTS**

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

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**STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017**

|                                     | Note(s) | 2017<br>R      | 2016<br>R     |
|-------------------------------------|---------|----------------|---------------|
| <b>ASSETS</b>                       |         |                |               |
| <b>CURRENT ASSETS</b>               |         |                |               |
| Cash and cash equivalents           | 2       | 115,627        | 49,900        |
| <b>Total Assets</b>                 |         | <b>115,627</b> | <b>49,900</b> |
| <b>EQUITY AND LIABILITIES</b>       |         |                |               |
| <b>EQUITY</b>                       |         |                |               |
| Retained income                     |         | 111,439        | 46,427        |
| <b>LIABILITIES</b>                  |         |                |               |
| <b>CURRENT LIABILITIES</b>          |         |                |               |
| Trade and other payables            | 3       | 4,188          | 3,473         |
| <b>Total Equity and Liabilities</b> |         | <b>115,627</b> | <b>49,900</b> |

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**STATEMENT OF COMPREHENSIVE INCOME**

|  | Note(s) | 2017<br>R      | 2016<br>R      |
|--|---------|----------------|----------------|
| Revenue  |         | 1,381,746      | 1,209,477      |
| Cost of sales                                  |         | (649,151)      | (353,053)      |
| <b>Gross profit</b>                            |         | <b>732,595</b> | <b>856,424</b> |
| Operating expenses                             |         | (667,583)      | (849,306)      |
| <b>Operating profit</b>                        | 4       | <b>65,012</b>  | <b>7,118</b>   |
| <b>Profit for the year</b>                     |         | <b>65,012</b>  | <b>7,118</b>   |
| Other comprehensive income                     |         | -              | -              |
| <b>Total comprehensive income for the year</b> |         | <b>65,012</b>  | <b>7,118</b>   |

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**STATEMENT OF CHANGES IN EQUITY**

|  | Retained<br>income<br>R | Total equity<br>R |
|--|-------------------------|-------------------|
| <b>Balance at 01 March 2015</b>                | <b>39,309</b>           | <b>39,309</b>     |
| Profit for the year                            | 7,118                   | 7,118             |
| Other comprehensive income                     | -                       | -                 |
| <b>Total comprehensive income for the year</b> | <b>7,118</b>            | <b>7,118</b>      |
| <b>Balance at 01 March 2016</b>                | <b>46,427</b>           | <b>46,427</b>     |
| Profit for the year                            | 65,012                  | 65,012            |
| Other comprehensive income                     | -                       | -                 |
| <b>Total comprehensive income for the year</b> | <b>65,012</b>           | <b>65,012</b>     |
| <b>Balance at 28 February 2017</b>             | <b>111,439</b>          | <b>111,439</b>    |

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**STATEMENT OF CASH FLOWS**

|   | Note(s) | 2017<br>R      | 2016<br>R     |
|---|---------|----------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |         |                |               |
| Cash receipts from customers                |         | 1,381,746      | 1,209,477     |
| Cash paid to suppliers and employees        |         | (1,316,019)    | (1,198,886)   |
| Cash generated from operations              | 7       | 65,727         | 10,591        |
| <b>Net cash from operating activities</b>   |         | <b>65,727</b>  | <b>10,591</b> |
| <b>Total cash movement for the year</b>     |         | <b>65,727</b>  | <b>10,591</b> |
| Cash at the beginning of the year           |         | 49,900         | 39,310        |
| <b>Total cash at end of the year</b>        | 2       | <b>115,627</b> | <b>49,901</b> |

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**ACCOUNTING POLICIES**

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**1. Presentation of annual financial statements**

The annual 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 annual 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 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.

**FINANCIAL INSTRUMENTS AT COST**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

**FINANCIAL INSTRUMENTS AT FAIR VALUE**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

**1.2 TAX**

**CURRENT TAX ASSETS AND LIABILITIES**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

**TAX EXPENSES**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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**ACCOUNTING POLICIES**

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**1.3 REVENUE**

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

**1.4 BORROWING COSTS**

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

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

|   | 2017<br>R     | 2016<br>R     |
|---|---------------|---------------|
| <b>2. CASH AND CASH EQUIVALENTS</b>   |               |               |
| Cash and cash equivalents consist of:   |               |               |
| Bank balances   | 115,627       | 49,900        |
| <b>3. TRADE AND OTHER PAYABLES</b>  |               |               |
| Trade payables  | 4,188         | 3,473         |
| <b>4. OPERATING PROFIT</b>  |               |               |
| Operating profit for the year is stated after accounting for the following:   |               |               |
| <b>OPERATING LEASE CHARGES</b>  |               |               |
| Premises  |               |               |
| • Contractual amounts   | 49,002        | 45,796        |
| Employee costs  | 303,659       | 495,776       |
| <b>5. INVESTMENT REVENUE</b>  |               |               |
| <b>6. TAXATION</b>  |               |               |
| <b>MAJOR COMPONENTS OF THE TAX EXPENSE</b>                                    |               |               |
| <b>CURRENT</b>  |               |               |
| Local income tax - current period   | -             | -             |
| <b>RECONCILIATION OF THE TAX EXPENSE</b>                                      |               |               |
| Reconciliation between accounting profit and tax expense.                     |               |               |
| Accounting profit   | 65,012        | 7,118         |
| Tax at the applicable tax rate of 28% (2015: 28%)                             | 18,203        | 1,993         |
| <b>TAX EFFECT OF ADJUSTMENTS ON TAXABLE INCOME</b>                            |               |               |
| Tax losses  | (18,203)      | (1,993)       |
| No provision has been made for 2017 tax as the company has no taxable income. |               |               |
| <b>7. CASH GENERATED FROM OPERATIONS</b>                                      |               |               |
| Profit before taxation  | 65,012        | 7,118         |
| <b>CHANGES IN WORKING CAPITAL:</b>  |               |               |
| Trade and other payables  | 715           | 3,473         |
|   | <b>65,727</b> | <b>10,591</b> |

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

|                                   | 2017<br>R                    | 2016<br>R               |
|-----------------------------------|------------------------------|-------------------------|
| <b>8. DIRECTORS' REMUNERATION</b> |                              |                         |
| <b>EXECUTIVE</b>                  |                              |                         |
| <b>2017</b>                       |                              |                         |
| M Lieferink                       | <b>Emoluments</b><br>130,000 | <b>Total</b><br>130,000 |
| <b>2016</b>                       |                              |                         |
| M Lieferink                       | <b>Emoluments</b><br>340,000 | <b>Total</b><br>340,000 |

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**FEDERATION FOR SUSTAINABLE ENVIRONMENT NPC**  
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**STATEMENT OF FINANCIAL PERFORMANCE**

|                                  | Note(s) | 2017<br>R      | 2016<br>R      |
|----------------------------------|---------|----------------|----------------|
| <b>REVENUE</b>                   |         |                |                |
| Donations Received               |         | 1,381,746      | 1,209,477      |
| <b>COST OF SALES</b>             |         |                |                |
| Purchases                        |         | (649,151)      | (353,053)      |
| <b>Gross profit</b>              |         | <b>732,595</b> | <b>856,424</b> |
| <b>OPERATING EXPENSES</b>        |         |                |                |
| Accounting fees                  |         | 23,308         | 21,888         |
| Advertising and Promotions       |         | 14,081         | 13,159         |
| Bank charges                     |         | 4,325          | 9,022          |
| Cleaning                         |         | 5,209          | 5,894          |
| Computer expenses                |         | 6,311          | 11,770         |
| Employee costs                   |         | 303,659        | 495,776        |
| Entertainment                    |         | 25,553         | 26,510         |
| Fines and penalties              |         | 237            | 3,017          |
| Hire of venue                    |         | 14,017         | 13,100         |
| Insurance                        |         | 14,987         | 14,097         |
| Lease rentals on operating lease |         | 49,002         | 45,796         |
| Motor vehicle expenses           |         | 729            | 2,160          |
| Petrol and oil                   |         | 50,984         | 47,659         |
| Postage                          |         | 8,605          | 801            |
| Printing and stationery          |         | 50,743         | 53,063         |
| Repairs and maintenance          |         | 33,663         | 31,469         |
| Subscriptions                    |         | 20,091         | 18,777         |
| Telephone and fax                |         | 17,332         | 12,220         |
| Training                         |         | 3,210          | 3,000          |
| Travel - local                   |         | 21,537         | 20,128         |
|                                  |         | <b>667,583</b> | <b>849,306</b> |
| <b>Profit for the year</b>       |         | <b>65,012</b>  | <b>7,118</b>   |

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