CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements
for the year ended 31 December 2014

Audited Financial Statements

in compliance with Companies Act 71 of 2008

Compiled by: Jesling Auditors

Audited by: BN Jooste & Co

Index

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

General Information

Country of incorporation and domicile	South Africa
Nature of business and principle activities	Ecumenical loan fund providing loans to Christian Churches and Organisations
Directors	Bishop JT Seoka (Chairman) AE Wentzel (Vice-chairman) The Revd B Arends DHL Butcher Pastor PJH de Witt Bishop GO Filter Captain CA Holmes The Revd C Judelsohn The Revd D Malete SS Manyane AMJ Pinnock The Revd J W Roberts MW Schutte The Revd D Tamboer The Revd B van Aarde The Revd V Vilakati B Zulu
Registered office and business address	4 Gremlin Road Bryanston Ext 8 Sandton, Gauteng 2191
Postal address	PO Box 70458 Bryanston 2021
Bankers	Nedbank Ltd
Attorneys	Tonkin Clacey Ricardo Wyngaard Attorneys
Auditors	BN Jooste & Co
Company secretary	Transfer Administrators (Pty) Ltd
NPO registration number	005-939
Tax registration number	9149/587/84/3

B.N. Jooste & Co.
Practise No. 916900E

Chartered Accountants (SA)

Registered Auditors

Barrie Noel Jooste CA(SA) RA
Jeffrey Clive Pierce CA(SA) RA
Samuel Johannes Kruger CA(SA) RA

37 Harley Street
Ferndale
2194

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CDT FOUNDATION NPC

We have audited the financial statements of CDT Foundation NPC, as set out on pages 8 to 19, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income 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 of South Africa, 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.

Auditor's' 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 auditor's' 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 CDT Foundation NPC as at 31 December 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 of South Africa.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 20 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.

INDEPENDENT AUDITOR'S REPORT

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

B N Jooste & Co.

B N Jooste & Co
Chartered Accountants (S.A.)
Registered Auditors
Practice No. 916900E

09 February 2015
Randburg

JC Pierce CA(SA) RA
Partner

Directors' Responsibilities and Approval

The directors are required by the South African Companies Act 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, BN Jooste & Co, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 8 to 19 were approved by the director on 9 February 2015

AE Wentzel (Vice-chairman)	L Pieters (Manager)

Directors' Report

The directors present their report for the year ended 31 December 2014.

1. Review of activities

Main business and operations

The principal activity of the company is providing loans to christian churches and organisations and there were no major changes herein during the year. In addition the company provides guidance and executive support to other Christian Bodies, NPO's and BEE ventures.

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

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the company.

4. Directors

Bishop JT Seoka (Chairman)
AE Wentzel (Vice-chairman)
The Revd B Arends
DHL Butcher
Pastor PJH de Witt
Bishop GO Filter
Captain CA Holmes
The Revd C Judelsohn
The Revd D Malete
SS Manyane
AMJ Pinnock
The Revd J W Roberts
MW Schutte
The Revd D Tamboer
The Revd B van Aarde
The Revd V Vilakati
B Zulu

Directors' Report

5. Secretary

The company's designated secretary is Transfer Administrators (Pty) Ltd.

6. Management of the Foundation

The company is managed by the Manager Mrs L Pieters and assisted by the secretaries, Transfer Administrators (Pty) Ltd.

7. Auditors

BN Jooste & Co were the auditors for the year under review.

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements as at 31 December 2014

Statement of Financial Position

Figures in R	Note(s)	2014	2013
ASSETS			
Non-Current Assets		**11 836 344**	**10 351 176**
Property, plant and equipment	3	17 206	48 830
Investments	4	759 835	727 128
Loans receivable	5	11 059 303	9 575 218
Current Assets		**9 567 293**	**11 147 048**
Current taxation asset		2 632	-
Loans receivable	5	7 088 702	8 299 407
Trade and other receivables	6	30 198	-
Cash and cash equivalents	7	2 445 761	2 847 641
Total Assets		**21 403 637**	**21 498 224**
EQUITY AND LIABILITIES			
Equity		**21 232 725**	**21 288 646**
Retained surplus		21 232 725	21 288 646
Non-Current Liabilities		**21 815**	**53 697**
Deferred taxation	8	21 815	53 697
Current Liabilities		**149 097**	**155 881**
Trade and other payables	9	118 376	48 500
Managed funds	10	30 721	107 381
Total Equity and Liabilities		**21 403 637**	**21 498 224**

Statement of Comprehensive Income

Figures in R	Note(s)	2014	2013
Revenue	11	1 608 287	1 647 097
Other income	12	87 165	118 860
Operating costs		(1 938 421)	(1 779 704)
Operating loss		**(242 969)**	**(13 747)**
Finance income	13	155 596	138 657
(Deficit) / surplus before taxation		**(87 373)**	**124 910**
Taxation expense	14	31 452	(20 275)
(Deficit) / surplus for the year		**(55 921)**	**104 635**

Statement of Changes in Equity

Figures in R	Retained earnings	Total
Balance at 1 January 2012	21 184 011	21 184 011
Surplus for the year	104 635	104 635
Balance at 31 December 2013	**21 288 646**	**21 288 646**
Balance at 1 January 2014	21 288 646	21 288 646
Deficit for the year	(55 921)	(55 921)
Balance at 31 December 2014	**21 232 725**	**21 232 725**

Statement of Cash Flows

Figures in R	Note(s)	2014	2013
Cash flows from operating activities			
(Deficit) / surplus for the year		(55 921)	104 635
Adjustments for:			
Income tax		(31 452)	20 275
Depreciation		44 666	40 914
Investment income		(155 596)	(138 657)
Profit on disposal of property, plant and equipment		(54 458)	-
Fair value adjustments		(32 707)	(118 860)
Operating cash flow before working capital changes		(285 468)	(91 693)
Working capital changes			
Increase in trade and other receivables		(30 198)	-
Loans (raised)/repaid		(273 380)	818 443
Net movement of managed funds' creditors		(76 660)	(238 451)
Increase/(decrease) in trade and other payables		69 876	(53 485)
Cash (utilised in)/generated by operating activities		(595 830)	434 814
Investment income		113 139	96 239
Dividends received		42 457	42 418
Income tax (paid) / refunded		(3 062)	44 862
Net cash from operating activities		**(443 296)**	**618 333**
Cash flows from investing activities			
Property, plant and equipment acquired	3	(136 585)	(29 686)
Proceeds on disposals of property, plant and equipment		178 001	-
Net cash generated by/(utilised in) investing activities		**41 416**	**(29 686)**
(Decrease)/increase in cash and cash equivalents		(401 880)	588 647
Cash and cash equivalents at beginning of the year		2 847 641	2 258 994
Cash and cash equivalents at end of the year	7	**2 445 761**	**2 847 641**

Accounting Policies

1. General information

CDT Foundation NPC is a Non-profit company incorporated in South Africa.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the company’s activities.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities, as described below:

Services revenue
The service rendered is recognised as revenue by reference to the stage of completion of the transaction at the reporting date.

Interest income
Interest income is recognised using the effective interest method.

2.2 Income taxation

The taxation expense for the year comprises current and deferred taxation. Taxation is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income taxation charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding taxation bases (known as temporary differences). Deferred taxation liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred taxation assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused taxation losses or unused taxation credits. Deferred taxation assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

Accounting Policies

Summary of significant accounting policies continued...

The net carrying amount of deferred taxation assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred taxation asset to be realised or the deferred taxation liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Motor vehicles	20.00%
IT equipment	33.33%

Motor vehicles, furniture, computer equipment and computer software with an initial cost price of less than R3000 are written off in the year in which they were purchased.

2.4 Loans and other receivables

Loans and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

Accounting Policies

Summary of significant accounting policies continued...

2.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Annual Financial Statements

Figures in R	2014	2013

3. Property, plant and equipment

	Cost	Accumulated depreciation	2014 Carrying value	Cost	Accumulated depreciation	2013 Carrying value
Motor vehicles	-	-	-	148 915	134 024	14 891
IT equipment	104 999	87 793	17 206	104 999	71 060	33 939
	104 999	87 793	17 206	253 914	205 084	48 830

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2014 Carrying value at end of year
Motor vehicles	14 891	136 585	(123 543)	(27 933)	-
IT equipment	33 939	-	-	(16 733)	17 206
	48 830	136 585	(123 543)	(44 666)	17 206

A register containing the information required by the Companies Act is available for inspection at the registered office of the company.

4. Investments

	2014	2013
Listed shares at fair value	589 641	556 934
Unlisted shares at cost	170 194	170 194
	759 835	727 128

The fair values of listed investments are based on the market price at the reporting period date. The company held investments in the following companies:

	2014	2013
Listed		
Times Media Group Ltd - 274 shares	5 480	5 754
MTN Group Ltd - 2 262 shares	500 829	490 899
Naspers Limited - 55 shares	83 332	60 281
Unlisted		
Ditikeni Investment Company Ltd - 48 345 shares	160 194	160 194
Tembeka Social Investment Company Ltd - 10 000 shares	10 000	10 000
	759 835	727 128

Notes to the Annual Financial Statements

Figures in R	2014	2013

5. Loans receivable

Secured loans	17 560 450	16 503 239
The loans are secured by the mortgage bond over fixed property bearing interest between 8.5% and 12% (2013: 8.5% and 12%) p.a.		
Unsecured loans	744 697	1 460 972
The loans are supported by instruments of debt and, in many instances, guarantees of the denomination of the debtor. The loans bear interest between 8.5% and 12% (2013: 8.5% and 12%) p.a.		
	18 305 147	17 964 211
Impairment loss	(157 142)	(89 586)
	18 148 005	17 874 625
Non-current assets	11 059 303	9 575 218
Current assets	7 088 702	8 299 407
	18 148 005	17 874 625

6. Trade and other receivables

Sundry debtors	30 198	-

7. Cash and cash equivalents

Nedbank current account	49 420	34 339
Christian Development Trust	588	588
Nedbank investment account	2 395 753	2 812 714
	2 445 761	2 847 641

Notes to the Annual Financial Statements

Figures in R	2014	2013

8. Deferred taxation

Balance at beginning of year	(53 697)	(33 422)
Increase / (decrease) in tax losses available for set off against future taxable income	31 882	(20 275)
Balance at end of year	(21 815)	(53 697)

The deferred tax rate applied to the fair value adjustments of financial assets is determined by the expected manner of recovery. Where the expected recovery of the financial assets is through sale, the capital gains tax rate of 18.6% (2013: 18.6%) is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 28% (2013: 28%) is applied.

9. Trade and other payables

Accrued audit fee	40 000	37 500
Accrued compilation fee	12 000	11 000
Trade creditors	66 376	-
	118 376	48 500

10. Managed funds

God's Golden Acre	-	1 967
Sakhisizwe Trust	30 721	30 721
WACC - AR (Membership and admin)	-	74 693
	30 721	107 381

11. Revenue

An analysis of revenue is as follows:

Interest received (trading)	1 531 982	1 557 467
Rendering of services	76 305	89 630
	1 608 287	1 647 097

12. Other Income

Fair value gain	32 707	118 860
Profit on sale of fixed assets	54 458	-
	87 165	118 860

Notes to the Annual Financial Statements

Figures in R	2014	2013

13. Finance income

Interest income		
Interest received	113 139	96 239
	113 139	96 239
Dividend income		
Dividends received from listed companies	25 307	26 239
Dividends received from unlisted companies	17 150	16 179
	42 457	42 418
	155 596	138 657

14. Income taxation expense

Local income tax - Underprovision in prior year	430	-
Deferred taxation		
Temporary differences - current period	(31 882)	20 275
Income taxation for the year	(31 452)	20 275

Reconciliation of tax expense

(Deficit) / surplus before taxation	(87 373)	124 910
Tax at applicable tax rate of 28% (2013: 28%)	(24 464)	34 975
Adjusted for:		
Exempt Income - Dividends received	(11 888)	(11 877)
Disallowable charges	7 523	4 455
Fair value adjustment	(3 053)	-
Deferred tax rate difference	-	(11 093)
Prior period adjustment	430	
	(31 452)	16 460

15. Auditors remuneration

Audit fees	40 000	37 500
Taxation services	1 112	-
Adjustment for previous year	-	3 583
	41 112	41 083

Notes to the Annual Financial Statements

Figures in R	2014	2013

16. Related party transactions

During the year, the company entered into trade with the following related parties in the ordinary course of business.

		Amounts paid to related party during the year		Amounts owed (to) / by the related party at year-end	
Name	**Transactions**	2014	2013	2014	2013
Transfer Administrators	Management fees paid	518 400	489 060	(63 078)	-

Detailed Income Statement

Figures in R		2014	2013
Gross Revenue		**1 608 287**	**1 647 097**
Interest received (trading)		1 531 982	1 557 467
Rendering of services		76 305	89 630
Other Income		**242 761**	**257 517**
Dividends received		42 457	42 418
Fair value gain		32 707	118 860
Investment income		113 139	96 239
Profit on sale of fixed assets		54 458	-
Expenditure		**1 938 421**	**1 779 704**
Accounting fees		-	1 040
Administration fees paid		501 858	411 564
Auditors' remuneration	15	41 112	41 083
Bad debts		67 557	7 272
Bank charges		1 571	3 621
Compilation fee		12 000	11 000
Computer expenses		101 033	84 255
Courier		679	-
Depreciation		44 666	40 914
Entertainment		2 000	-
Gifts		30 494	15 910
Grants paid		26 868	29 537
Insurance		40 958	44 487
Legal expense		9 323	15 050
Management fees - retainer		518 400	489 060
Management fees - special assignments		240 204	275 559
Meetings		5 444	1 125
Motor vehicle expense		17 288	23 423
National credit regulator		7 628	7 628
Payroll maintenance		10 338	15 203
Printing and stationery		11 243	10 369
Subscriptions		22 967	16 760
Telephone, fax and cellphones		76 068	62 606
Training		900	4 104
Travel - local		91 872	88 153
Travel - overseas		55 950	75 877
Website		-	4 104
(Deficit) / surplus before taxation		**(87 373)**	**124 910**
Taxation		(31 452)	20 275
(Deficit) / surplus for the year		**(55 921)**	**104 635**

The supplementary information presented does not form part of the annual financial statements and is unaudited