

CDT FOUNDATION NPC
(Registration Number 1999/014491/08)
Annual Financial Statements
for the year ended 31 December 2013

Audited Financial Statements

in compliance with Companies Act 71 of 2008

Compiled by:

Jesling Auditors

Audited by:

BN Jooste & Co

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Index

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

Index	1
General Information	2
Report of the Compiler	3
Independent Auditors' report	4 - 5
Directors' Responsibilities and Approval	6
Directors' Report	7 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 14
Notes to the Annual Financial Statements	15 - 18
The supplementary information presented does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	19

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

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 Captain CA Holmes The Revd C Judelsohn S Jwili The Revd D Maletse SS Manyane AMJ Pinnock The Revd J W Roberts Bishop NJ Rohwer MW Schutte 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

Report of the Compiler

To the Shareholder of CDT Foundation NPC

On the basis of information provided by management we have compiled, in accordance with the International Standard on Related Services (ISRS) 4410 applicable to compilation engagements, the statement of financial position of CDT Foundation NPC at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended.

The company's directors are responsible for both the accuracy and completeness of the information supplied to us and are responsible to users for the financial information compiled by us. This includes the maintenance of adequate accounting records and internal controls and the selection and application of appropriate accounting policies.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. We have not audited or reviewed these annual financial statements and accordingly express no assurance thereon.

Jesling Auditors

Practice Number: 903963



Gary Jesson CA (SA) RA

31 January 2014

INDEPENDENT AUDITORS' REPORT

To the shareholders of CDT Foundation NPC

We have audited the annual financial statements of CDT Foundation NPC, as set out on 9 to 18, which comprise the statement of financial position as at 31 December 2013, and the statement of income and retained earnings 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 Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with 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 annual 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 annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of CDT Foundation NPC as at 31 December 2013, 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.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

INDEPENDENT AUDITORS' REPORT

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 December 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual 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 annual 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 (SA)
Registered Auditors
Practice No. 916900 E

Per: JC Pierce
08 February 2014
Randburg

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Directors' Responsibilities and Approval

The directors are required by the South African Companies Act to maintain adequate accounting records to enable the company to satisfy all reporting requirements applicable to it and provide for the proper conduct of an audit. The accounting records required to be kept by the Act and this regulation must be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. 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 4 to 5.

The annual financial statements as set out on pages 9 to 18 were approved by the board on 31 January 2014 and were signed on its behalf by:

AE Wentzel (Vice-chairman)

L Ballot (CEO)

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Directors' Report

The directors present their report for the year ended 31 December 2013.

1. Review of activities

Main business and operations

The principal activity of the company is ecumenical loan fund providing loans to christian churches and organisations and there were no major changes herein during the year. In addition:

- 1) The Foundation managed funds for the Small Project Fund of Bread for the World until the 30 November 2013. The donor has subsequently terminated the relationship.
- 2) 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 the 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

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

Name

Bishop JT Seoka (Chairman)	Dr SD Maluleke (Resigned 31 October 2013)
AE Wentzel (Vice-chairman)	SS Manyane
The Revd B Arends	AMJ Pinnock
DHL Butcher	The Revd J W Roberts (Appointed 31 October 2013)
JM Davidson (Resigned 31 October 2013)	Bishop NJ Rohwer
Pastor PJH de Witt	MW Schutte
Captain CA Holmes	The Revd B van Aarde
The Revd C Judelsohn	The Revd V Vilakati
S Jwili	B Zulu
The Revd D Malete (Appointed 31 October 2013)	

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

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 CEO Mrs LM Ballot 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 2013

Statement of Financial Position

Figures in R	Note(s)	2013	2012
ASSETS			
Non-Current Assets		10 440 763	15 245 217
Property, plant and equipment	2	48 831	60 059
Loans receivable	3	9 664 804	14 576 890
Investments	4	727 128	608 268
Current Assets		11 147 048	6 509 618
Current tax asset		-	44 862
Loans receivable	3	8 299 407	4 205 762
Cash and cash equivalents	5	2 847 641	2 258 994
Total Assets		21 587 811	21 754 835
EQUITY AND LIABILITIES			
Equity		21 288 647	21 184 010
Retained earnings		21 288 647	21 184 010
Non-Current Liabilities		53 697	33 422
Deferred taxation	6	53 697	33 422
Current Liabilities		245 467	537 403
Trade and other payables	7	138 086	191 571
Managed funds' creditors	8	107 381	345 832
Total Equity and Liabilities		21 587 811	21 754 835

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

Figures in R	Note(s)	2013	2012
Revenue	9	1 647 097	1 612 758
Other income		118 860	90 223
Operating costs		(1 779 702)	(1 814 630)
Operating loss		(13 745)	(111 649)
Finance income	10	138 657	237 957
Profit before taxation		124 912	126 308
Tax expense	11	(20 275)	3 697
Profit for the year		104 637	130 005

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Statement of Changes in Equity

Figures in R	Retained earnings
Balance at 1 January 2012	21 054 005
Total comprehensive income for the year	130 005
Balance at 30 December 2012	21 184 010
Balance at 1 January 2013	21 184 010
Total comprehensive income for the year	104 637
Balance at 31 December 2013	21 288 647

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Statement of Cash Flows

Figures in R	Note(s)	2013	2012
Cash flows from operating activities			
Profit for the year		104 637	130 005
<i>Adjustments for:</i>			
Income tax		20 275	(3 697)
Depreciation of property, plant and equipment		40 914	48 915
Investment income		(138 657)	(237 957)
Fair value adjustments		(118 860)	(90 223)
Loans repaid		818 441	825 183
Net movement of managed funds' creditors		(238 451)	(89 171)
(Decrease)/Increase in trade and other payables		(53 485)	79 047
Cash generated by operating activities		434 814	662 102
Interest received		96 239	205 172
Dividends received		42 418	32 785
Income tax refunded		44 862	18 637
Net cash from operating activities		618 333	918 696
Cash flows from investing activities			
Property, plant and equipment acquired		(29 686)	(20 514)
Net cash utilised in investing activities		(29 686)	(20 514)
Cash flows from financing activities			
Repayment of co-funders loan		-	(250 045)
Net cash utilised in financing activities		-	(250 045)
Increase in cash and cash equivalents		588 647	648 137
Cash and cash equivalents at beginning of the year		2 258 994	1 610 857
Cash and cash equivalents at end of the year	5	2 847 641	2 258 994

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1. Presentation of Financial Statements

These 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.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the consolidated financial statements, are disclosed in the notes.

1.1 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:

Interest income

Interest income is recognised using the effective interest method.

1.2 Income taxes

The tax expense for the year comprises of current tax and deferred tax and is recognised in profit or loss.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax 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.

The net carrying amount of deferred tax 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.

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1.3 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%
Computer Equipment	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.

1.4 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 method, less provision for impairment. A provision for impairment of 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.

1.5 Trade payables

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

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in R

2013

2012

2. Property, plant and equipment

	Cost	Accumulated depreciation	2013 Carrying value	Cost	Accumulated depreciation	2012 Carrying value
Motor vehicles	148 915	(134 024)	14 891	148 915	(104 241)	44 674
Computer and other equipment	105 000	(71 060)	33 940	75 314	(59 929)	15 385
	253 915	(205 084)	48 831	224 229	(164 170)	60 059

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2013 Carrying value at end of year
Motor vehicles	44 674	-	-	(29 783)	14 891
Computer and other equipment	15 385	29 686	-	(11 131)	33 940
	60 059	29 686	-	(40 914)	48 831

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

3. Loans receivable

Secured loans 16 503 239 15 735 718

The loans are secured by the mortgage bond over fixed property bearing interest between 8.5% and 12% (2012: 8.5% and 12%) p.a.

Unsecured loans 1 460 972 3 046 934

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% (2012: 8.5% and 12%) p.a.

	17 964 211	18 782 652
Non-current assets	9 664 804	14 576 890
Current assets	8 299 407	4 205 762
	17 964 211	18 782 652

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in R

2013

2012

4. Investments

Listed shares at fair value	556 934	438 074
Unlisted shares at cost	170 194	170 194
	<u>727 128</u>	<u>608 268</u>

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:

Listed

Times Media Group Ltd - 274 shares	5 754	6 467
MTN Group Ltd - 2 262 shares	490 899	401 731
Naspers Limited - 55 shares	60 281	29 876

Unlisted

Ditikeni Investment Company Ltd - 48 345 shares	160 194	160 194
Tembeka Social Investment Company Ltd - 10 000 shares	10 000	10 000
	<u>727 128</u>	<u>608 268</u>

5. Cash and cash equivalents

Nedbank current account	34 339	91 971
CDTrust	588	438
Nedbank investment account	2 812 714	2 166 585
	<u>2 847 641</u>	<u>2 258 994</u>

6. Deferred taxation

Deferred tax liability at beginning of year	(33 422)	(42 382)
<i>Movements consisting of:</i>		
Temporary differences	(22 187)	23 087
Change in rate of tax	-	(14 127)
Increase / (decrease) in tax losses available for set off against future taxable income	1 913	-
Deferred tax liability at end of year	<u>(53 697)</u>	<u>(33 422)</u>

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% (2012: 18.6%) is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 28% (2012: 28%) is applied.

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in R

2013

2012

7. Trade and other payables

Accrued audit fee	37 500	35 000
Accrued compilation fee	11 000	10 000
Trade creditors	89 586	146 571
	<u>138 086</u>	<u>191 571</u>

8. Managed funds' creditors

God's Golden Acre	(1 967)	(36 440)
Sakhisizwe Trust	(30 721)	(30 721)
WACC - AR (Membership and admin)	(74 693)	(134 666)
Valley Kids	-	(144 005)
	<u>(107 381)</u>	<u>(345 832)</u>

Current liabilities

At amortised cost	<u>(107 381)</u>	<u>(345 832)</u>
-------------------	------------------	------------------

9. Revenue

An analysis of revenue is as follows:

Interest received (trading)	1 557 467	1 470 765
Rendering of services	89 630	141 993
	<u>1 647 097</u>	<u>1 612 758</u>

10. Finance income

Interest received - Banks	96 239	205 172
Dividends received	42 418	32 785
	<u>138 657</u>	<u>237 957</u>

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in R

2013

2012

11. Income tax expense

Local income tax - current period	-	5 263
Deferred tax		
Temporary differences - current period	20 275	(8 960)
Income tax for the year	<u>20 275</u>	<u>(3 697)</u>

Reconciliation of tax expense

Accounting profit	124 912	126 308
Tax at applicable tax rate of 28% (2012: 28%)	34 975	35 366
<i>Adjusted for:</i>		
Exempt Income - Dividends received	(11 877)	(9 180)
Disallowable charges	8 270	4 339
Fair value adjustment	-	
Deferred tax rate difference	(11 094)	(34 222)
	<u>20 275</u>	<u>(3 697)</u>

12. Auditors remuneration

Fees	37 500	35 000
Adjustment for previous year	3 583	(2 280)
	<u>41 083</u>	<u>32 720</u>

13. Related party transactions

Relationships

Entities related to the directors

Christian Development Trust
Transfer Administrators (Pty) Ltd

Related party transactions

Name	Transactions	Amounts paid to related party during the year		Amounts owed to the related party at year-end	
		2013	2012	2013	2012
Transfer Administrators	Management fees paid	764 619	763 992	-	(64 257)

CDT FOUNDATION NPC

(Registration Number 1999/014491/08)

Annual Financial Statements for the year ended 31 December 2013

Detailed Statement of Financial Performance

Figures in R	2013	2012
Gross Revenue	1 647 097	1 612 758
Interest received (trading)	1 557 467	1 470 765
Rendering of services	89 630	141 993
Other Income	257 517	328 180
Dividends received	42 418	32 785
Fair value gains	118 860	90 223
Investment income	96 239	205 172
Expenditure	1 779 704	1 814 630
Accounting fees	1 040	3 192
Administration fees paid	411 564	366 476
Auditors' remuneration	41 083	32 720
Bad debts	7 272	82 314
Bank charges	3 621	2 273
Compilation fee	11 000	10 000
Computer expenses	84 255	115 756
Depreciation - Tangible assets	40 914	48 915
Entertainment	15 910	12 256
Grants paid	29 537	15 497
Insurance	44 487	66 316
Legal expense	15 050	15 726
Management fees - retainer	489 060	464 400
Management fees - special assignments	275 559	299 592
Meetings	1 125	1 100
Motor vehicle expenses	23 423	22 475
National credit regulator	7 628	7 711
Payroll maintenance	15 203	15 247
Printing and Stationery	10 369	11 661
Repairs and Maintenance	-	2 870
Subscriptions	16 760	18 304
Telephone expenses	62 606	51 454
Training	4 104	-
Travel local	88 153	74 748
Travel overseas	75 877	73 627
Website	4 104	-
Profit before taxation	124 910	126 308
Taxation	20 275	(3 697)
Profit after taxation	104 635	130 005

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