

COLUMBA LEADERSHIP TRUST
(Registration Number 2977/2010)

ANNUAL FINANCIAL STATEMENTS

29 FEBRUARY 2016

COLUMBA LEADERSHIP TRUST
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Type of trust	Discretionary
Registration number	2977/2010
Trustees	R K C Taylor M Makhanya B Dlamini J A Mabena P Dumisa S C Taylor D Mvelasi G Hamilton
Business address	2nd Floor Nando's Building 553 Louis Botha Avenue Savoy Estate 2090

COLUMBA LEADERSHIP TRUST
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

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

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COLUMBA LEADERSHIP TRUST

TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustees are required 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 trust 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 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 judgments and estimates.

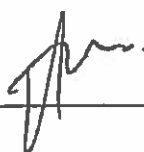
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

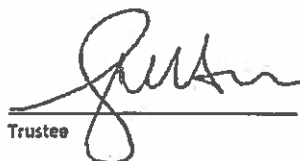
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2017 and, in the light of this review and the current financial position, they are satisfied that the trust 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 trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the board of trustees on 2 June 2016 and were signed on its behalf by:


Trustee


Trustee



EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co Reg No 2005/002308/21
Tel +27 (0) 11 772 3000
Fax +27 (0) 11 772 1000
Dotex 123 Raniburg
www.ey.com

INDEPENDENT AUDITOR'S REPORT

To the trustees of Columba Leadership Trust

We have audited the annual financial statements of Columba Leadership Trust, as set out on pages 7 to 13, which comprise the statement of financial position as at 29 February 2016, 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.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the trustees 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 entities 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 Columba Leadership Trust as at 29 February 2016, 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.

Other reports

As part of our audit of the annual financial statements for the year ended 29 February 2016, we have read the Trustees Report for the purpose of identifying whether there are material inconsistencies between these reports 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.

Ernst & Young Inc.
Director - Dave Ian Cathrall
Registered Auditor
Chartered Accountant (SA)

2 June 2016

COLUMBA LEADERSHIP TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

The trustees submit their report for the year ended 29 February 2016.

REVIEW OF ACTIVITIES

Main business and operations

The trust is engaged in non-profit activities, the object of which is bringing values-based leadership academies to young people in schools from the most under resourced communities.

Columba works with groups of 15 people; 3 educators including the principal (in the first year) and a diverse group of Grade 10 learners. Meticulous care is taken to engage a range of stakeholders to become part of a movement for youth activation. This is followed by The 6 day experiential leadership academy where the groups explore values in their own context and experience and learn from nature and history. The third phase includes 2 years of group action back in the school and community which includes the mobilization of learners as values-inspired leaders supported by educators as values champions and activators of youth potential. This phase includes provision of tools, training and support of Youth and Educators for extended impact.

The young people realise that they already have an inner greatness necessary to transform their lives, and the lives of those around them, and this unleashes their potential to be agents of positive social change.

A rigorous post academy monitoring and evaluation programme, lasting up to two years, encourages sustainability of the changes introduced by the young people.

SUSTAINABILITY RESERVE

In current year the trust received an endowment grant of R10 000 000 which we have transferred to the sustainability reserve. Over the past 3 years the trust has achieved surpluses from donations received specifically to contribute to program and management costs. As these donations had specific conditions attaching to them, they were disclosed as Restricted Donations in the statement of financial position. On 2 June 2016 the trustees decided that these surpluses (which total R15 880 000), should be transferred to a sustainability reserve as they no longer had conditions attaching to them.

EVENTS AFTER THE REPORTING PERIOD

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

COLUMBA LEADERSHIP TRUST**TRUSTEES' REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2016 (Continued)****TRUSTEES**

The trustees of the trust during the year and to the date of this report are as follows:

Name

Robert Keith Taylor
Mondli Makhanya
Buhlebethu Dlamini
Jerry Mabena
Phutumile Dumisa
Sarah Taylor
Dipuo Mvelasi
Graham Neville Hamilton

BENEFICIARIES

The beneficiaries of the trust during the accounting period and up to the date of this report are as follows:

Any person selected by the trustees to benefit under the trust deed from time to time in their absolute discretion, but in accordance with the trust deed and to achieve the purposes of the trust set out in clause 4; provided that at least 85% of the value of any distributions made by the trust shall be made for the benefit and development of black people.

AUDITORS

Ernst & Young Inc.

COLUMBA LEADERSHIP TRUST

**STATEMENT OF FINANCIAL POSITION
AT 29 FEBRUARY 2016**

	Note	2016 R	2015 R
ASSETS			
Current assets		32 738 519	14 678 492
Inventories	2	176 254	86 415
Trade and other receivables	3	2 334 585	1 333 166
Cash and cash equivalents	4	30 227 680	13 258 911
Total assets		<u>32 738 519</u>	<u>14 678 492</u>
EQUITY AND LIABILITIES			
Equity		22 632 833	6 338 672
Trust capital		1 069	1 069
Sustainability reserve	8	15 880 000	-
Accumulated surplus		6 751 764	6 337 603
Current liabilities		10 105 686	8 339 820
Trade and other payables	5	800 711	233 025
Restricted donations		9 304 975	8 106 795
Total equity and liabilities		<u>32 738 519</u>	<u>14 678 492</u>

COLUMBA LEADERSHIP TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Note	2016 R	2015 R
Income		35 595 673	15 445 768
Donations received	8	30 170 490	14 818 631
Transfer from restricted grants	8	4 380 837	-
Interest received		1 044 346	627 137
Operating expenses		19 301 512	13 759 267
<i>Academy expenses</i>		15 547 766	11 209 657
Accommodation and food		3 255 656	3 273 230
Consumables		552 338	406 300
Faculty		2 584 534	3 819 318
Management and logistics		5 057 978	1 717 973
School engagement		3 129 324	878 551
Transport		967 936	1 114 285
<i>Trust management expenses</i>		3 753 746	2 549 610
Advertising and promotions		85 888	23 467
Bank charges		26 310	5 754
Computer expenses		31 736	7 399
Consulting fees		-	30 341
Employee costs		2 338 056	1 741 030
Insurance		51 319	27 285
Printing and stationery		40 976	56 130
Rent paid		679 679	474 022
Repairs and maintenance		164 712	30 394
Subscriptions and comms		-	21 442
Telephone and fax		113 014	29 288
Travel		222 056	103 058
Surplus for the year		16 294 161	1 686 501
Other comprehensive income		-	-
Sustainability fund allocation	8	15 880 000	-
Total comprehensive income for the year		414 161	1 686 501

COLUMBA LEADERSHIP TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Trust capital R	Sustainability reserve R	Accumulated surplus R	Total R
Balance at 28 February 2014	1 069	-	4 651 102	4 652 171
Total comprehensive income for the year	-	-	1 686 501	1 686 501
- Surplus for the year	-	-	1 686 501	1 686 501
- Other comprehensive income	-	-	-	-
Balance at 28 February 2015	1 069	-	6 337 603	6 338 672
Total comprehensive income for the year	-	-	16 294 161	16 294 161
- Surplus for the year	-	-	16 294 161	16 294 161
- Other comprehensive income	-	-	-	-
Allocation to sustainability reserve	-	15 880 000	(15 880 000)	-
Balance at 29 February 2016	1 069	15 880 000	6 751 764	22 632 833

COLUMBA LEADERSHIP TRUST**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Note	2016 R	2015 R
Cash flows from operating activities			
Cash generated from operations	7	16 968 769	2 169 563
		<hr/>	<hr/>
Net movement in cash and cash equivalents		16 968 769	2 169 563
Cash and cash equivalents at beginning of the year		13 258 911	11 089 348
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	4	30 227 680	13 258 911
		<hr/> <hr/>	<hr/> <hr/>

COLUMBA LEADERSHIP TRUST**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016****1. ACCOUNTING POLICIES****1.1 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. 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.

1.2 Financial instruments

Financial instruments carried on the statement of financial position comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Financial assets*Initial measurement*

Financial instruments are recognised when the Trust becomes party to the contractual provisions of the instrument. When financial instruments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Trust determines the classification of its financial instruments after initial recognition and, where allowed and appropriate, re-evaluates this designation at year end.

*Subsequent measurement**Trade and other receivables*

Trade and other receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

Cash and bank

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash within a maximum 2 month period.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade payables

Trade payables are financial liabilities with fixed payments.

COLUMBA LEADERSHIP TRUST

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016 (Continued)**

1. ACCOUNTING POLICIES (Continued)

1.3 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.4 Investment income

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.5 Donations received

Revenue from donations is recognised when it is received or when the right to receive payment is established. Donations received by the trust are classified as either restricted or unrestricted.

Unrestricted donations are donations that are received free of any restriction or condition imposed by the donor. Unrestricted donations may be applied without restriction in support of the objectives of the trust and are reflected in the statement of comprehensive income.

Restricted donations are donations that, at the request of the donor, must be applied to a specific project or projects. Funds received as a restricted donation and which have not been expended at the year-end are recorded as a liability for the future expenses in the statement of financial position. Where these projects have been completed in the period under review, this income is included in the statement of comprehensive income.

1.6 Funds and reserves

Sustainability reserve

Transfers to the fund are at the discretion of the Board of Trustees with the object of setting aside amounts deemed necessary for future management costs.

	2016	2015
	R	R
2. INVENTORIES		
Consumables	176 254	86 415
	<hr/>	<hr/>
3. TRADE AND OTHER RECEIVABLES		
Trade receivables	235 000	240 521
Other receivables	440 630	231 213
Vat control	1 661 955	837 763
Staff debtors	(3 000)	23 669
	<hr/>	<hr/>
	2 334 585	1 333 166
	<hr/>	<hr/>

COLUMBA LEADERSHIP TRUST**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016 (Continued)**

	2016 R	2015 R
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	30 227 680	13 258 911
	<u>30 227 680</u>	<u>13 258 911</u>
5. TRADE AND OTHER PAYABLES		
Trade payables	84 235	56 479
Accrued expenses	298 777	31 181
PAYE, UIF, Medical aid	417 699	145 365
	<u>800 711</u>	<u>233 025</u>
6. TAXATION		
No provision has been made for the 2013 S.A. normal tax as the trust is a registered Public Benefit Organisation with SARS.		
7. CASH GENERATED FROM OPERATIONS		
Surplus for the year	16 294 161	1 686 501
Changes in working capital:		
- Inventories	(89 839)	(39 336)
- Trade and other receivables	(1 001 419)	374 882
- Trade and other payables	567 686	(39 757)
- Restricted donations	1 198 180	187 273
	<u>16 968 769</u>	<u>2 169 563</u>
8. SUSTAINABILITY RESERVE		
Balance at the beginning of the year	-	-
Utilisation during the year	-	-
Current funding for the year	15 880 000	-
	<u>15 880 000</u>	<u>-</u>
Balance at the end of the year	<u>15 880 000</u>	<u>-</u>