

WIKIMEDIA ZA (NPC)
(Registration Number 2012/038827/08)
Annual Financial Statements
for the year ended 30 June 2019



AUDIT • TAX • ADVISORY

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Index

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

General Information	2
Report of the Independent Reviewer	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12
Notes to the Annual Financial Statements	13
Supplementary information:	
Detailed Income Statement	14

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

General Information

Country Of Incorporation And Domicile

South Africa

Nature Of Business And Principal Activities

Promoting and encouraging the growth, development and distribution of free, multilingual, educational content, and to providing the full content of these wiki-based projects to the public free of charge

Directors

Douglas Scott
Dumisani Ndubane
Michael Bobby Shabangu

Registered Office

Twenty Fifty Clubhouse
8 Spin Street
Cape Town
8000

Bankers

Standard Bank

Compilers

BGC
Registered Auditors
Chartered Accountants (SA)
Suite 201, 200 on Main
200 Main Road
Claremont
7708

Independent Reviewers' Report

To the Shareholder of Wikimedia ZA (NPC)

We have reviewed the financial statements of Wikimedia ZA (NPC) set out on pages 8 to 13, which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Annual Financial Statements

The directors are responsible for the preparation of these financial statements in accordance with the basis of accounting as described in note 2 to the financial statements and the 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 misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of Wikimedia ZA (NPC) are not prepared, in all material respects, in accordance with the basis of accounting as described in note 2 to the financial statements and the requirements of the Companies Act of South Africa.

Basis of Accounting

Without modifying our conclusion, we draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the company's own accounting policies to satisfy the financial information needs of the company's shareholders. As a result, the financial statements may not be suitable for another purpose.

Other Reports Required by the Companies Act

The annual financial statements include the Directors' Report as required by the Companies Act of South Africa, and the supplementary information set out on page 14. The directors are responsible for this other information. Our conclusion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the other information and, in doing so, considered whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we will report that fact. We have nothing to report in this regard.

BGC
Registered Auditor
Chartered Accountants (SA)

15 December 2019

Per: L. Sher CA (SA)
Registered Auditor
Partner

Suite 201, 200 on Main
200 Main Road
Claremont
7708

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

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 in the presentation of 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 annual 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 annual financial statements support the viability of the company.

The independent reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The independent reviewer's report is presented on pages 3 to 4.

The annual financial statements as set out on pages 8 to 13 were approved by the board on 15 December 2019 and were signed on their behalf by:

Douglas Scott

Michael Bobby Shabangu

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Directors' Report

The directors present their report for the year ended 30 June 2019.

1. Review of activities

Main business and operations

The principal activity of the company is promoting and encouraging the growth, development and distribution of free, multilingual, educational content, and to providing the full content of these wiki-based projects to the public free of charge and there were no major changes herein during the year.

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.

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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

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 on the financial position of the company.

4. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

5. Directors

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

Douglas Scott

Dumisani Ndubane

Michael Bobby Shabangu

6. Independent Reviewers

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Directors' Report

BGC were the independent reviewers for the year under review.

BGC is a firm of Registered Auditors and Chartered Accountants, registered with both the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants.

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Position

Figures in R	Note(s)	2019	2018
Assets			
Current Assets			
Loans receivable	3	20 196	18 690
Trade and other receivables	4	298	298
Cash and cash equivalents	5	55 388	218 730
		75 882	237 718
Total Assets		75 882	237 718
Equity and Liabilities			
Equity			
Retained earnings		75 882	237 718
Total Equity and Liabilities		75 882	237 718

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Statement of Comprehensive Income

Figures in R	Note(s)	2019	2018
Revenue	6	730	308 462
Project costs		(95 708)	(113 885)
Net income		(94 978)	194 577
Operating costs		(68 364)	(14 217)
Finance income		1 506	1 141
Finance costs		-	(18)
Net (deficit)/surplus for the year		(161 836)	181 483

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Statement of Changes in Equity

Figures in R	Retained earnings	Total
Balance at 1 July 2017	56 235	56 235
Surplus for the year	181 483	181 483
Balance at 30 June 2018	237 718	237 718
Balance at 1 July 2018	237 718	237 718
Deficit for the year	(161 836)	(161 836)
Balance at 30 June 2019	75 882	75 882

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Statement of Cash Flows

Figures in R	Note(s)	2019	2018
Cash flows from operating activities			
(Deficit)/Surplus for the year		(161 836)	181 483
<i>Adjustments for:</i>			
Finance costs		-	18
Interest income		(1 506)	(1 141)
Operating cash flow before working capital changes		(163 342)	180 360
<i>Working capital changes</i>			
(Decrease)/Increase in short-term loans		(1 506)	5 455
Cash (utilised in)/generated by operating activities		(164 848)	185 815
Investment income		1 506	1 141
Finance costs		-	(18)
Net cash from operating activities		(163 342)	186 938
(Decrease)/increase in cash and cash equivalents		(163 342)	186 938
Cash and cash equivalents at beginning of the year		218 730	31 792
Cash and cash equivalents at end of the year	5	55 388	218 730

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1. General information

Wikimedia ZA (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 accounting policies as 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

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:

Cash donations are recognised as revenue when cash is received from the donors

Donations received for the use on specific projects is recognised as revenue when the actual expenditure is incurred according to the contract to date. The balance of the donation income received and not recognised as revenue in the statement of comprehensive income, is deferred to the statement of financial position and recognised as surplus not yet used.

2.2 Trade and other receivables

Trade 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.

2.3 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.

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in R

	2019	2018
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3. Loans receivable

D. Ndubane	20 196	18 690
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The loan is unsecured, bears interest at the official interest rate and has no fixed terms of repayment.

4. Trade and other receivables

Trade debtors	298	298
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5. Cash and cash equivalents

Favourable cash balances

Standard Bank - current accounts	55 388	218 730
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6. Revenue

An analysis of revenue is as follows:

Grants Income	-	242 359
Membership fees	30	1 930
Other donations received	700	-
Wikimania Income	-	64 173
	730	308 462

7. Income taxation expense

Taxation has not been provided for as the entity is an exempt organisation in terms of Section 10(1) of the Income Tax Act.

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2019

Detailed Income Statement

Figures in R	2019	2018
Gross Revenue		
Grants Income	-	242 359
Membership fees	30	1 930
Other donations received	700	-
Wikimania Income	-	64 173
	<u>730</u>	<u>308 462</u>
Direct project costs		
Advertising	-	1 169
Afrikaans writing competition prizes	1 921	-
Catering	-	1 050
Community support services	450	-
Conference expenses	27 249	-
Durban Activation Roadshow	2 742	10 000
Edit-a-thon expenses	3 630	-
Joburgpedia project	-	9 500
Lanyards expenditure	-	33 638
Travel and accomodation	58 108	58 528
Wiki Media-Meetings and Events	1 608	-
	<u>95 708</u>	<u>113 885</u>
Net income	<u>(94 978)</u>	<u>194 577</u>
Other Income		
Interest income	<u>1 506</u>	<u>1 141</u>
Expenditure		
Accounting fees	47 854	10 155
Bank charges	4 171	4 062
Board expenses	1 135	-
Computer expenses	7 487	-
Finance costs	-	18
General expenses	5 000	-
Repairs and maintenance	2 717	-
	<u>68 364</u>	<u>14 235</u>
(Deficit)/surplus for the year	<u>(161 836)</u>	<u>181 483</u>