

WIKIMEDIA ZA (NPC)
(Registration Number 2012/038827/08)
Annual Financial Statements
for the year ended 30 June 2015

Draft

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2015

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WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2015

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
Pria Chetty
Deon Steyn
Dumisani Ndubane
Michael Bobby Shabangu
Ian Greenman
Liebe Brand

Registered Office

Twenty Fifty Clubhouse
8 Spin Street
Cape Town
8000

Bankers

Standard Bank

Auditors

Braude Gordon & Co
Suite 201, 200 on Main
Main Road
Claremont
7708

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Independent Auditor's Report

To the Members of Wikimedia ZA (NPC)

We have audited the financial statements of Wikimedia ZA (NPC) set out on pages 7 to 14, which comprise the statement of financial position as at 30 June 2015, 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.

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 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 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 about 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.

Basis for Qualified Opinion

As is common with similar organisations, it is not feasible for the company to institute accounting controls over cash collections from donations and other undertakings, prior to initial entry of these collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded and to conclude on the accuracy, cut-off, occurrence and completeness of donations, although we have no reason to suppose that there are omissions.

Qualified Opinion

In our opinion, except for the qualification above, the annual financial statements fairly present, in all material respects, the financial position of the company as at 30 June 2015, and its financial performance and cash flows for the year 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.

Other matter

Without qualifying our opinion we draw attention to the fact that supplementary information set out on page 15 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.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Directors' Report is the responsibility of the directors'. Based on reading the Directors' Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Braude Gordon & Co
Registered Auditors

Per L. Sher CA (SA)
Registered Auditor
Partner

24 May 2016

Suite 201, 200 on Main
Main Road
Claremont
7708

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2015

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, Braude Gordon & 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' qualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 7 to 14 were approved by the board on 24 May 2016 and were signed on their behalf by:

Director

Director

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements for the year ended 30 June 2015

Directors' Report

The directors present their report for the year ended 30 June 2015.

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.

3. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

4. Directors

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

Douglas Scott

Pria Chetty

Deon Steyn

Dumisani Ndubane

Michael Bobby Shabangu

Ian Greenman

Liebe Brand

5. Auditors

Braude Gordon & Co were the auditors for the year under review.

WIKIMEDIA ZA (NPC)

(Registration Number 2012/038827/08)

Annual Financial Statements as at 30 June 2015

Statement of Financial Position

Figures in R	Note(s)	2015	2014
Assets			
Current Assets			
Cash and cash equivalents	3	31,871	328,603
Total Assets		31,871	328,603
Equity and Liabilities			
Equity			
Retained earnings		1,871	105,119
Current Liabilities			
Trade and other payables	4	-	50,775
Deferred revenue	5	30,000	172,709
Total Equity and Liabilities		31,871	328,603

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WIKIMEDIA ZA (NPC)

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Annual Financial Statements for the year ended 30 June 2015

Statement of Comprehensive Income

Figures in R	Note(s)	2015	2014
Revenue	6	505,474	1,053,877
Project costs		<u>(189,000)</u>	<u>(699,273)</u>
Net income		316,474	354,604
Operating costs		<u>(419,722)</u>	<u>(343,370)</u>
Operating (deficit)/surplus	7	(103,248)	11,234
Finance costs		<u>-</u>	<u>(424)</u>
Operating (deficit)/surplus		(103,248)	10,810

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WIKIMEDIA ZA (NPC)

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Annual Financial Statements for the year ended 30 June 2015

Statement of Changes in Equity

Figures in R	Retained earnings	Total
Balance at 1 July 2013	94,309	94,309
Total comprehensive income for the year		
Surplus for the year	10,810	10,810
Total comprehensive income for the year	<u>10,810</u>	<u>10,810</u>
Balance at 30 June 2014	<u>105,119</u>	<u>105,119</u>
Balance at 1 July 2014	105,119	105,119
Total comprehensive income for the year		
Deficit for the year	(103,248)	(103,248)
Total comprehensive income for the year	<u>(103,248)</u>	<u>(103,248)</u>
Balance at 30 June 2015	<u>1,871</u>	<u>1,871</u>

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Statement of Cash Flows

Figures in R	Note(s)	2015	2014
Cash flows from operating activities			
(Deficit)/Surplus for the year		(103,248)	10,810
<i>Adjustments for:</i>			
Finance costs		-	424
Deferred revenue		-	172,709
Operating cash flow before working capital changes		(103,248)	183,943
<i>Working capital changes</i>			
(Decrease)/Increase in trade and other payables		(193,484)	50,775
Cash (utilised in)/generated by operating activities		(296,732)	234,719
Finance costs		-	(424)
Net cash from operating activities		(296,732)	234,295
(Decrease)/increase in cash and cash equivalents		(296,732)	234,295
Cash and cash equivalents at beginning of the year		328,603	94,308
Cash and cash equivalents at end of the year	3	31,871	328,603

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WIKIMEDIA ZA (NPC)

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Annual Financial Statements for the year ended 30 June 2015

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 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.

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 other than cash are recognised as revenue when the assets are received from 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 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.

2.3 Trade payables

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

2.4 Provisions

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

WIKIMEDIA ZA (NPC)

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Annual Financial Statements for the year ended 30 June 2015

Accounting Policies

2.5 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest method and is included in finance costs.

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Annual Financial Statements for the year ended 30 June 2015

Notes to the Annual Financial Statements

Figures in R

	2015	2014
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3. Cash and cash equivalents

Favourable cash balances

Cash on hand	1,305	-
Standard Bank	30,566	328,603
	<u>31,871</u>	<u>328,603</u>

4. Trade and other payables

Trade creditors	-	50,775
	<u>-</u>	<u>50,775</u>

5. Deferred revenue

Income received in advance	30,000	172,709
	<u>30,000</u>	<u>172,709</u>

6. Revenue

An analysis of revenue is as follows:

Wikimedia Foundation Donations	505,144	932,881
Other donations received	330	120,996
	<u>505,474</u>	<u>1,053,877</u>

7. Operating profit

Operating profit is arrived at after taking into account the following items:

Directors' emoluments

Executive

- Basic salary	45,000	52,500
	<u>45,000</u>	<u>52,500</u>

8. 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.

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Notes to the Annual Financial Statements

Figures in R

2015

2014

9. Related party transactions

Transactions between the company and its founder Wikimedia Foundation, which is a related party, have been noted as follows:

Name	Relationship	Transactions	Amounts owed (to) / by the related party at year-end			
			2015	2014	2015	2014
Wikimedia Foundation	Parent organisation	Donation income	(505,474)	(1,053,887)	-	-
Wikimedia Foundation	Parent organisation	Deferred revenue	-	-	(30,000)	(172,709)
Douglas Scott	Director of company	Directors emoluments	36,000	31,500	-	-
Dumisani Ndubane	Director of company	Directors emoluments	9,000	21,000	-	-

10. Income statement

No income statement has been presented as the company did not trade during the year.

WIKIMEDIA ZA (NPC)

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Annual Financial Statements for the year ended 30 June 2015

Detailed Income Statement

Figures in R	2015	2014
Gross Revenue		
Wikimedia Foundation Donations	505,144	932,881
Other donations received	330	120,996
	<u>505,474</u>	<u>1,053,877</u>
Direct project costs		
Joburgpedia project	39,985	62,508
Kiwix project	23,816	-
Nelson Mandela Memorial project	9,654	415
Wiki Indaba project	24,640	509,128
Wiki loves monuments	90,905	127,222
	<u>189,000</u>	<u>699,273</u>
Net income	<u>316,474</u>	<u>354,604</u>
Expenditure		
Administration salaries	240,785	110,803
Auditors' remuneration	32,961	22,500
Bank charges	4,971	-
Emoluments - Directors	45,000	52,500
Finance costs	-	424
Glam project	-	310
Office expenses and running costs	78,456	41,882
Secretarial fees	7,382	-
Telephone and fax	2,649	3,564
Travel - local	7,518	55,986
Travel - overseas	-	650
WMF project expenses	-	55,175
	<u>419,722</u>	<u>343,794</u>
(Deficit)/Surplus for the year	<u>(103,248)</u>	<u>10,810</u>