



**C Masters Development Services** cc CK number 1996/049880/23  
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## **WORDWORKS**

**FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

**NPO Number: 044-766-NPO**

**WORDWORKS****FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

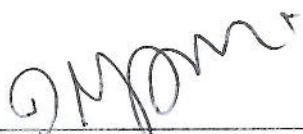
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The reports and statements set out below comprise the annual financial statements presented to the members:

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**APPROVAL**

The financial statements which appear on pages 3 to 7 were approved by the members on 16 May 2011 and signed on their behalf by:

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Treasurer

**WORDWORKS****REPORT OF THE ACCOUNTING OFFICER  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

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We have performed the duties of the Accounting Officer to Wordworks as required by the applicable section of the Non-Profit Organisations Act. The Act does not require an audit to be carried out. However, the constitution of Wordworks (as amended on 19 April 2006) implies that an audit of these financial statements is required. No audit was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on the financial statements.

The financial statements set out on pages 3 - 7 are the responsibility of the members. We have prepared the financial statements at the request of the members from the records provided to us. We have determined that the financial statements are in agreement with the accounting records, summarised in the manner required by the applicable section of the Non-Profit Organisations Act, and have done so by adopting such procedures and conducting such enquiries in relation to the books of account and records as we considered necessary in the circumstances. We have also reviewed the accounting policies which have been represented to us as having been applied in the preparation of the annual financial statements, and we consider that they are appropriate to the organisation.

C. Masters

B.Com (Hons) CA (SA)

C. Masters Development Services cc  
CK1996/049880/23

Date

**WORDWORKS****REPORT OF THE MEMBERS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

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**REPORT OF THE MEMBERS**

The members present their report for the twelve months ended 28 February 2011. This report forms part of the annual financial statements.

**General review**

The organisation's operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

**Nature of business**

Wordworks is a non-profit organisation that aims to support the early literacy and language development of children from disadvantaged communities. The organisation works with local communities to establish reading "centres" at schools, libraries and community halls. Volunteers are trained to work with small groups of young children who have difficulties with reading and writing. The majority of these children are learning to read in a second language. In addition to working with children, the organisation works directly with parents to empower them to support their children's early learning in the home environment. Wordworks also runs programmes for pre-school teachers to assist them with teaching of basic concepts and emergent literacy. Through getting to know the participants in our projects, the organisation has come to recognise the resilience and courage of children and families in impoverished communities. The organisation recognises the need to provide opportunities for children from disadvantaged communities to participate in therapeutic activities to attend to the consequences of trauma, violence, abuse and/or loss.

Wordworks aims to produce accessible, affordable materials and to contribute to research about early literacy and language development and therapeutic practices in disadvantaged communities.

**Statements of responsibility**

The members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The Accounting Officer is responsible for determining that the financial statements are in agreement with the accounting records and that the accounting policies applied are appropriate to the organisation.

The members are also responsible for the organisation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the members have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

**Members**

Sullivan O'Carroll  
Tessa Brewis  
Jonathan Morgan  
Shelley O'Carroll  
Xolisa Guzula  
Jackie Van Rooyen



## WORDWORKS

BALANCE SHEET  
AS AT 28 FEBRUARY 2011

	Notes	2011	2010
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	2	16,891	-
<b>Current assets</b>			
Cash and cash equivalents		302,032	31,714
Trade and other receivables		6,301	2,326
<b>Total assets</b>		<u>325,224</u>	<u>62,544</u>
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Accumulated funds		222,340	(5,135)
O'Carroll bursary fund	3	48,843	35,552
<b>Current liabilities</b>			
SARS		12,525	-
Trade and other payables		41,516	3,623
<b>Total capital and liabilities</b>		<u>325,224</u>	<u>62,544</u>

## WORDWORKS

**STATEMENT OF CHANGES IN FUNDS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

	Accumulated Funds R	O'Carroll bursary fund R	Total R
Balance as at 1 March 2009	14,043	21,240	35,283
Surplus / (deficit) for the year	(19,178)	-	(19,178)
Funds received during the year	-	70,380	70,380
Disbursements for the year	-	(56,068)	(56,068)
Balance as at 28 February 2010	<u>(5,135)</u>	<u>35,552</u>	<u>30,417</u>
Balance as at 1 March 2010	(5,135)	35,552	30,417
Surplus / (deficit) for the year	227,474	-	227,474
Funds received during the year	-	81,000	81,000
Disbursements for the year	-	(67,709)	(67,709)
Balance as at 28 February 2011	<u>222,340</u>	<u>48,843</u>	<u>271,183</u>

## WORDWORKS

953,489.00

**INCOME AND EXPENDITURE STATEMENT  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011**

	Notes	2011 R	2010 R
<b>Income</b>		<b>994,001</b>	<b>527,656</b>
Grants & Donations	4	953,489	513,371
Services rendered		18,423	6,447
Bursary fund administration fee		8,100	7,038
Interest received		10,806	-
Manual Sales		3,183	800
<b>Expenditure</b>		<b>766,527</b>	<b>546,834</b>
Accounting service		9,613	23,274
Administration salaries		71,293	40,388
Advertising & Promotions		3,270	-
Bank charges		3,659	1,916
Depreciation		19,381	-
Gifts		701	-
Illustrations, translations and design work		5,250	17,100
Material development salaries		15,561	97,420
Materials		83,843	43,608
New site manuals printing and training costs		42,997	25,468
Office costs		37,722	36,900
Project salaries		428,470	224,569
Staff development		531	1,337
Travel		21,799	19,222
UIF contributions		2,908	2,741
Volunteer stipends		17,363	2,800
Website		2,167	10,092
Surplus/(deficit) for the year		227,474	(19,178)

## WORDWORKS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011

## 1 SUMMARY OF ACCOUNTING POLICIES

The following are the principal accounting policies of the project.

## 1.1 Basis of preparation

The Annual Financial Statements are prepared on the historical cost basis and incorporate the accounting policies which have been consistently applied.

Income is recorded on a cash received basis.

All known liabilities of the organisation have been included.

## 1.2 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- \* It is probable that future economic benefits associated with the item will flow to the company; and
- \* The cost of the item can be measured reliably.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Office Equipment	3 years
Computer Equipment	3 years
Computer Software	2 years

Assets purchased for less than R7000-00 are depreciated in full in the year it was purchased.

## 2 PROPERTY, PLANT AND EQUIPMENT

	2011		
	Cost / valuation	Accumulated depreciation	Carrying value
	R	R	R
<b>Owned assets</b>			
Office Equipment	4,521	4,521	-
Computer Equipment	5,045	5,045	-
Computer Software	26,706	9,815	16,891
	<u>36,272</u>	<u>19,381</u>	<u>16,891</u>

Reconciliation of property, plant and equipment 2011

	Carrying value at beginning of year	2011 Additions	2011 Depreciation	Carrying value
	R		R	R
<b>Owned assets</b>				
Office Equipment	-	4,521	4,521	-
Computer Equipment	-	5,045	5,045	-
Computer Software	-	26,706	9,815	16,891
	<u>-</u>	<u>36,272</u>	<u>19,381</u>	<u>16,891</u>



## WORDWORKS

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 28 FEBRUARY 2011

	2011	2010
<b>3 RECONCILIATION OF O'CARROLL BURSARY FUND</b>		
Opening Balance	35,552	21,240
Funds received	81,000	70,380
Less: Disbursements for the year	67,709	56,068
Bursaries	59,609	49,030
Alma - UWC	5,500	-
Bay Primary (Kholisa)	9,355	6,188
J Mutema, G Boka & T Ndlovu	-	9,500
Jessica / Nadine & Shelley Kids	1,000	-
S Faith	-	600
Silvermine Primary (S Katamzi)	6,150	1,800
St James Primary	33,054	30,142
St. Anthony (Faith)	4,550	800
Other expenses	-	-
Administration fee @ 10%	8,100	7,038
<b>Closing Balance</b>	<b>48,843</b>	<b>35,552</b>
<b>4 GRANTS &amp; DONATIONS</b>	<b>953,489</b>	<b>513,371</b>
Anglo Trust	100,000	-
Breadline Africa	20,000	-
Davies Foundation	-	10,000
Davies Foundation	10,000	-
DG Murray Trust	544,000	165,000
Dr D McKay & Klut	1,176	-
Fairheads International	66,942	45,261
I O Ebrahim	6,000	20,000
JDI Foundation Conway	6,270	3,000
Masiphumelele Library	107,970	15,000
Repssi	-	96,200
Riscura	-	10,000
Vrygrond Trust	41,130	73,542
Zenex Foundation	50,000	75,368

**6 TAXATION**

The organisation is exempt from income tax under 10(1)(cN) as read with Section 30 of the Income Tax Act. No provision has been made for taxation in the current year.