



The Mvula Trust  
(Registration number IT1595/93)  
Financial statements  
for the year ended 30 June 2018

# The Mvula Trust

(Registration number: IT1595/93)

Financial Statements for the year ended 30 June 2018

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Installation of water reticulation, sanitation and related services in rural areas
<b>Trustees</b>	Alufheli Dowelani Asivhanga Tshibubudze Maggy Kgwantha Michael Marler Silas Mbedzi (CEO) Suthu Linda Cordelia Maphaha
<b>Registered office</b>	718 James Crescent Halfway House Midrand 1685
<b>Postal address</b>	P O BOX 32351 Braamfontein 2017
<b>Bankers</b>	Standard Bank of South Africa Limited Nedbank Limited
<b>Auditors</b>	Nexia SAB&T Registered Auditor Chartered Accountants (SA)
<b>Trust registration number</b>	IT1595/93
<b>Tax reference number</b>	1984065845
<b>Preparer</b>	The financial statements were internally compiled by: Richard Somanje BCom Honours (Accounting)
<b>Non-Profit Registration Number</b>	005-110 NPO
<b>VAT Registration Number</b>	4640154292
<b>Contractors Registration Number</b>	117441/CIDB 7GB (General Building)
<b>EWSETA Accreditation Number</b>	Tvtel7ENER1021069

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Financial Statements for the year ended 30 June 2018

## Trustees' responsibility and approval

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The Mvula Trust 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 judgements and estimates. Its aim is to provide our stakeholders and regulators with a concise and candid overview of our activities for the financial year ending June 2018 and to demonstrate how the Trust creates value over the long term.

The Board of 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 Trustees set 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 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 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.

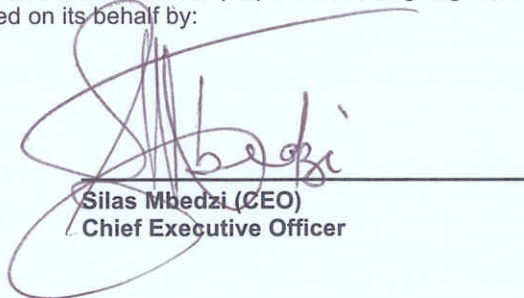
The external auditors are responsible for independently auditing and reporting on the Trust's financial statements. The financial statements have been examined by the Trust's external auditors and their report is presented on page 5 to 7.

The financial statements set out on pages 8 to 26, which have been prepared on the going concern basis, were approved by the Trustees on 7 December 2018 and were signed on its behalf by:

### Approval of financial statements



**Asivhanga Tshibubudze**  
Chairperson of the Board of Trustees



**Silas Mbedzi (CEO)**  
Chief Executive Officer

# The Mvula Trust

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Annual Financial Statements for the year ended 30 June 2018

## The Board of Trustees Report

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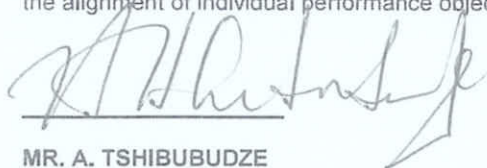
The Trustees have pleasure in submitting their report on the annual financial statements of The Mvula Trust the year ended 30 June 2018.

The Mvula Trust turned 25 years old in the year under review. It is no doubt that the value created by The Mvula Trust over the years resonates with a lot of our stakeholders and clients especially rural schools and communities which have been our beneficiaries. We hope to continue with the special relationships we have developed with strategic partners and stakeholders over the years and celebrate our milestone with them. The Mvula Trust has been a learning organisation over the past years.

The financial year under review was the third year of the current 5-year strategic plan (2015 – 2020). From our review of the strategic objectives and operations, we can confirm the sustainability and continued existence of The Mvula Trust. Given its financial, operational and strategic resources, The Mvula Trust will continue to be a going concern in the foreseeable future. After negative growth in the first two quarters of the year, the third quarter of the year recorded a 2.2 economic growth. There are signs that we have recovered from a recession. As a social infrastructure implementing agent on behalf of the public sector, the recession experienced in the prior year had a carry over effect on the performance of the organisation in the current financial year. The recent economic growth statistics however lend an assurance to the continued sustainability of The Mvula Trust's operations. As the board we recognise the complex link between the operating environment, effective governance, sustainable organisational performance and value creation for all of our stakeholders. In this regard we have reinforced the enduring commitment of the Trustees to lead the organisation in accordance with principles that are based on transparency, accountability, integrity and ethical leadership.

As a board we are committed towards ensuring compliance with applicable legislative and regulatory prescripts applicable to the organisation as well as gradually integrating the principles embodied in the King Code of Governance Principles and the King Report on Governance (King IV). As part of the annual review on governance and management, a number of governance challenges identified by the internal and external auditors were addressed and as the Board of Trustees we commit to continuously ensuring compliance with relevant legislation. In line with The Mvula Trust guiding principles and good corporate governance as set out in King IV, the Board of Trustees reviewed and approved the Declaration of Interests and assessment processes. The Board of Trustees will continue playing its role in improving stakeholder relations in line with the developed Stakeholder Management Strategy. On risk management, the Risk Management Policy and Supply Chain Management Policies are being reviewed.

The budget for the 2018/19 financial year was approved on 29 June 2018. We continue to emphasise on financial controls and the alignment of individual performance objectives and the organisational scorecard.



**MR. A. TSHIBUBUDZE**

**CHAIRPERSON**

**THE BOARD OF TRUSTEES**