

**COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH
AFRICA**

**Annual Financial Statements
for the year ended 31 December 2013**

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

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COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE ADDRESS

South Africa

EXECUTIVE COUNCIL

B. Mbambo-Thata
N. Roberts
K.B. Eister
R. Bawa
E. Chiware
P. Ntshuntshe-Matshaya

REGISTERED OFFICE

228 Johannes Ramokhoase (Proes)
Street
Pretoria
0001

BANKERS

ABSA Bank

INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE FOR HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Report on the Financial Statements

We have audited the accompanying financial statements of the entity, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 1 to 13.

Controlling Body's Responsibility for the Financial Statements

The controlling body is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for SME's. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the entity as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for SME's.



EXCEPTIONAL AUDITING SOLUTIONS
REGISTERED AUDITORS
PRACTICE NUMBER 901394

PRETORIA
18 March 2014



REPORT OF THE COMPILER

TO THE EXECUTIVE COUNCIL OF COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

On the basis of information provided by management we have compiled, in accordance with the International Standard on Related Services (ISRS) 4410 applicable to compilation engagements, the statement of financial position of Committee of Higher Education Libraries in South Africa as of 31 December 2013, statement of comprehensive income and statement of cash flows for the year then ended.

The Executive Council is responsible for both the accuracy and completeness of the information supplied to us and is responsible to users for the financial information compiled by us. This includes the maintenance of adequate accounting records and internal controls and the selection and application of appropriate accounting policies.

Accounting and Secretarial duties

With the written consent of the Executive Council we have performed certain accounting and secretarial duties, which includes the preparation of the financial statements.

NK Accounting Services

8 March 2014

A handwritten signature in black ink, appearing to read 'Nikki Kennedy', is written over a horizontal line.

Per:

Nikki Kennedy

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

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EXECUTIVE COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Executive Council is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the Executive Council's responsibility to ensure that the annual financial statements fairly present the state of affairs at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium-sized Entities.

The Executive Council is of the opinion, based on the information and explanations given by the Executive Council and management structures, 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 Executive Council has reviewed the cash flow forecast for the year to 31 December 2014 and, in the light of this review and the current financial position, they are satisfied that they will have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements have been prepared on the going concern basis, and subject to no material changes to the present financial status, were approved by the Executive Council and were signed on their behalf by:

Chairperson

Treasurer

Date

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

EXECUTIVE COUNCIL REPORT

The Executive Council presents their report for the year ended 31 December 2013.

1. 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.

2. Events after reporting date

The Executive Council is not aware of any matter or circumstance arising since the end of the financial year.

3. Executive Council

The Executive Council during the year and to the date of this report are as follows:

B. Mbambo-Thata
N. Roberts
K.B. Eister
R. Bawa
E. Chiware
P. Ntshuntshe-Matshaya

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Statement of Financial Position

Figures in R	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	36,492	-
		<u>36,492</u>	<u>-</u>
Current Assets			
Accounts receivable	3	38,497	2,400
Cash and cash equivalents	4	176,998	267,726
		<u>215,495</u>	<u>270,126</u>
Total Assets		<u>251,987</u>	<u>270,126</u>
Reserves and Liabilities			
Reserves and Funds			
Retained earnings		158,993	267,726
Current Liabilities			
Accounts payable		92,993	2,400
Total Liabilities and Funds		<u>251,987</u>	<u>270,126</u>

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

Figures in R	2013	2012
Income	<u>133,000</u>	<u>60,000</u>
Gross Surplus	133,000	60,000
Operating costs	<u>(244,227)</u>	<u>(18,991)</u>
Operating (deficit)/ Surplus	(111,227)	41,009
Finance income	<u>2,494</u>	<u>2,912</u>
(Deficit)/ Surplus for the year	(108,733)	43,921

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Statement of Changes in Funds and Reserves

Figures in R	Contingency fund	Total
Balance at 1 January 2012	223,805	223,805
Total comprehensive income for the year	43,921	43,921
Balance at 31 December 2012	267,726	267,726
Balance at 1 January 2013	267,726	267,726
Total comprehensive income for the year	(108,733)	(108,733)
Balance at 31 December 2013	158,993	158,993

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Statement of Cash Flow

Figures in R	Note(s)	2013	2012
Cash flows from operating activities			
(Loss)/ profit for the year		(108,733)	43,921
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		12,118	-
Investment income		(2,494)	(2,912)
(Increase)/ decrease in accounts receivable		(36,097)	12,000
Increase in accounts payable		90,594	2,400
Cash (utilised in)/ generated by operating activities		(44,612)	55,408
Interest received		2,494	2,912
Net cash from operating activities		(42,117)	58,321
Property, plant and equipment acquired		(48,610)	-
Net cash utilised in investing activities		(48,610)	-
(Decrease) / Increase in cash and cash equivalents		(90,727)	58,321
Cash and cash equivalents at beginning of the year		267,726	209,405
Cash and cash equivalents at end of the year	4	176,998	267,726

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with IFRS for SME's issued by the International Accounting Standards Board (IASB). They are presented in South African Rands.

1.1 Property, plant and equipment

Items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Computer Equipment	3 Years
Computer Software	3 Years

1.2 Trade and other receivables

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, it is immediately written off as bad debt in the profit or loss.

1.3 Cash and cash equivalents

Cash and cash equivalents includes cash with banks.

1.4 Trade payables

Trade payables are recognised initially at the transaction price.

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in R 2013 2012

2. Property, plant and equipment

	Cost	Accumulated depreciation	2013 Carrying value	Cost	Accumulated depreciation	2012 Carrying value
<i>Owned assets</i>						
Computer software	41,610	9,785	31,825	-	-	-
Computer equipment	7,000	2,333	4,667	-	-	-
	48,610	12,118	36,492	-	-	-

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2013 Carrying value at end of year
<i>Owned assets</i>					
Computer software	-	41,610	-	(9,785)	31,825
Computer equipment	-	7,000	-	(2,333)	4,667
	-	48,610	-	(12,118)	36,492

3. Accounts receivable

Trade debtors	5,000	2,400
Prepaid expenses	32,797	-
Deposits	700	-
	38,497	2,400

4. Cash and cash equivalents

Bank balance	176,998	267,726
	176,998	267,726

COMMITTEE OF HIGHER EDUCATION LIBRARIES IN SOUTH AFRICA

Detailed Income Statement

Figures in R	2013	2012
Income		
Fees received	125,000	60,000
Donations received	8,000	-
	<u>133,000</u>	<u>60,000</u>
Surplus/(deficit) before other income	<u>133,000</u>	<u>60,000</u>
Other Income		
Interest received	2,494	2,912
	<u>2,494</u>	<u>2,912</u>
	<u>135,494</u>	<u>62,912</u>
Expenditure		
Accounting fees	23,912	-
AGM Expenses	36,905	8,437
Auditors remuneration	3,990	-
Bad debts	-	4,800
Bank charges	2,322	1,716
Communication	7,497	1,188
Computer expenses	6,074	2,850
Consulting fees	10,100	-
Depreciation - Tangible assets	12,118	-
Dinner expenses	7,900	-
Gifts	283	-
Office expenses	4,432	-
Postage	350	-
Printing and Stationery	6,472	-
Salaries	119,281	-
SARS Penalties & Interest	312	-
Training	2,280	-
	<u>244,227</u>	<u>18,991</u>
Operating (Deficit)/ Surplus	<u>(108,733)</u>	<u>43,921</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited