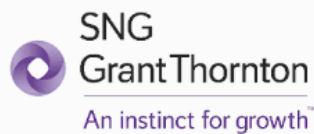


THE NBI INTEGRATED ANNUAL REPORT 2016 - 2018 : ADDENDUM

Financials for July 2017 to June 2018



Independent Auditor's Report 2017 - 2018



Summit Place Office Park,
Building 4
221 Garstfontein Road
Menlyn, Pretoria
Gauteng

Independent Auditor's Report

To the Members of National Business Initiative for Growth Development and Democracy (Non Profit Company)

Opinion

We have audited the annual financial statements of National Business Initiative for Growth Development and Democracy (Non Profit Company) set out on pages 11 to 28 which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Business Initiative for Growth Development and Democracy (Non Profit Company) as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to the performing of audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act of South Africa and the supplementary information set out on pages 4 to 7. The other information does not include the financial statements and our auditor's report thereon.

Our opinion 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 audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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SizweNtsalubaGobodo Grant Thornton Incorporated Registration Number: 2005/034639/21

Victor Sekese [Chief Executive]

A comprehensive list of all Directors is available at the company offices or registered office

sng-gran Thornton.co.za



Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jeanine Nellmapius-Clarke
SizweNtsalubaGobodo Grant Thornton Inc

Director
Registered Auditor

Date _____

Summit Place, 221 Garsfontein Road
Building 5, 2nd floor, Menlyn, Pretoria

Summarised Financials 2017 - 2018

For the year ended 30 June		
FIGURES IN RANDS		
	2018	2017
ASSETS		
Non-Current Assets		
Property, plant and equipment	1 373 103	110 138
Intangible Assets	87 368	11 227
	1 460 471	121 365
Current Assets		
Trade and other receivables	3 883 146	4 114 006
Cash and cash equivalents	9 588 138	14 045 049
	13 471 284	18 159 055
Total Assets	14 931 755	18 280 420
EQUITY AND LIABILITIES		
Equity		
General Development Fund	11 350 416	10 356 340
Liabilities		
Non-current Liabilities		
Project funds administered	0	0
Current Liabilities		
Operating Lease Liability	85 044	0
Trade and other payables	1 783 206	1 450 908
Project funds administered	1 713 089	6 473 172
Bank overdraft	0	0
	3 581 339	7 924 080
Total Liabilities	3 581 339	7 924 080
Total Equities and Liabilities	14 931 755	18 280 420

STATEMENT OF SURPLUS AND DEFICIT

For the year ended 30 June

FIGURES IN RANDS

	2018	2017
ASSETS		
Revenue	20 687 329	17 140 543
Other income	450 665	1 011 328
Operating costs	(20 430 883)	(17 292 005)
Operating Surplus (Deficit)	707 111	859 866
Investment revenue	309 484	329 904
Finance costs	(22 519)	(20 321)
Operating Surplus (Deficit)	994 076	1 169 449
Other comprehensive income	0	0
Total comprehensive income (loss) for the year	994 076	1 169 449

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June

FIGURES IN RANDS

	General Development Fund
Balance at 01 July 2016	9 186 891
Surplus for the year	1 169 449
Balance at 01 July 2017	10 356 340
Surplus for the year	994 076
Balance at 01 July 2018	11 350 416

STATEMENT OF CASHFLOWS

For the year ended 30 June 2017

FIGURES IN RANDB

	2018	2017
Cash generated from operating activities		
Cash generated from operations	1 655 425	1 054 897
Interest income	309 484	329 904
Finance Costs	(22 519)	(20 321)
Net cash from operating activities	1 942 390	1 364 480
Cash flow from investing activities		
Purchase of property, plant and equipment	(1 507 563)	(35 934)
Sale of property, plant and equipment	3 515	4 628
Purchase of other intangible assets	(135 170)	(100 912)
Sale of other intangible assets	0	3
Net cash from investing activities	(1 639 218)	(132 215)
Cash flow from financing activities		
Movement in project funds administered	(4 760 083)	(622 072)
Total cash movement for the year	(4 456 911)	610 193
Cash at the beginning of the year	14 045 049	13 434 856
Total cash at end of the year	9 588 138	14 045 049

Value Added Statement 2017 - 2018

For the year ended 30 June						
		COMPANY				
		2018	2017	2016	2015	2014
		R'000	R'000	R'000	R'000	R'000
WEALTH CREATED						
Revenue		21 138	18 152	25 000	22 906	25 879
Value Added		21 138	18 152	25 000	22 906	25 879
Add: Income from Investments		309	330	219	81	119
Wealth Created		21 447	18 482	25 219	22 987	25 998
WEALTH DISTRIBUTION						
	%					
Employees						
Salaries, Wages and other Benefits	65%	13 932	12 289	14 138	15 452	14 846
Member-related Activities	11%	2 389	2 111	2 215	4 340	2 640
Infrastructure Costs	19%	4 110	2 890	3 531	3 447	5 095
Interest on Borrowings	0%	22	20	21	20	8
Government Taxation and Levies		0	0	0	0	0
Retained in the Company	5%	994	1 172	5 314	(272)	3 409
To Provide for the Maintenance of Capital		557	656	2 976	(272)	1 909
To Provide for Expansion		437	516	2 338		1 500



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Reg. No. 1995/003141/08 Association Incorporated under Section 21

VAT Number: 4070158433

NPO Number: 081-437 NPO

The National Business Initiative is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action. Since our inception in 1995, the NBI has made a distinct impact in the spheres of housing delivery, crime prevention, local economic development, public sector capacity building, further education and training, schooling, public private partnerships, energy efficiency and climate change.

The NBI is a global network partner of the World Business Council for Sustainable Development (WBCSD) in South Africa and an implementation partner of We Mean Business, the CEO Water Mandate and CDP.