



**The Ruparelia Foundation (A Charitable Trust)**  
**Financial statements**  
**for the year ended 30 June 2017**

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **General Information**

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<b>Country of incorporation and domicile</b>	Uganda
<b>Type of trust</b>	Charitable
<b>Trustees</b>	Dr. Sudhir Ruparelia - Founder Ms. Jyotsna Ruparelia Ms. Meera Ruparelia Ms. Sheena Ruparelia Mr. Rajiv Ruparelia
<b>Registered office</b>	Plot 38, Kampala Road
<b>Postal address</b>	P.O Box 7036, Kampala
<b>Bankers</b>	Crane Bank Limited (Now DFCU Bank) Guaranty Trust Bank
<b>Auditors</b>	UHY Thakkar & Associates Certified Public Accountants Plot 1, Mackenzie Close Kololo, Kampala Plot 9098, Kampala

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

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# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Trustees' Responsibilities and Approval

The trustees are required in terms of the The trustees incorporation Act, CAP 165 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust as 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. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The 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 board of trustees 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 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 for the year to 30 June 2018 and, in light of this review and the current financial position, they are satisfied that the trust has or had 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 pages 6 to 7.

The financial statements set out on pages 8 to 27, which have been prepared on the going concern basis, were approved by the board of trustees on 5/10/2017 and were signed on their behalf by:

### Approval of financial statements

Trustee

Trustee

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Trustees' Report**

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The trustees have pleasure in submitting their report on the financial statements of The Ruparelia Foundation (A Charitable Trust) for the year ended 30 June 2017.

### **1. Nature of business**

The Ruparelia Foundation (A Charitable Trust) works to improve and promote health, education, sports, general welfare, poverty eradication, improve livelihoods, support the welfare of wildlife and preservation of the environment by fostering partnerships among business, corporations with government, non governmental organisations and individuals.

There have been no material changes to the nature of the trust's business from the prior year.

### **2. Review of financial results and activities**

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the The trustees incorporation Act, CAP 165. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these financial statements.

### **3. Trustees**

The trustees in office at the date of this report are as follows:

#### **Name**

Dr. Sudhir Ruparelia - Founder

Ms. Jyotsna Ruparelia

Ms. Meera Ruparelia

Ms. Sheena Ruparelia

Mr. Rajiv Ruparelia

### **4. Events after the reporting period**

The trustees are not aware of any material event which occurred after the reporting date.

### **5. Going concern**

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

### **6. Statement of disclosure to the company's auditors**

With respect to each person who is a trustee on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the trust's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a trustee to be aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

### **7. Terms of appointment of the auditors**

UHY Thakkar & Associates were appointed as the trust's auditors and have expressed their willingness to continue in office.

### **8. Acknowledgements**

Thanks and appreciation are extended to all of our stakeholders for their continued support of the trust.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Trustees' Report

The financial statements set out on pages 8 to 27, which have been prepared on the going concern basis, were approved by the board of trustees on 5/10/2017, and were signed on its behalf by:

Approval of financial statements

Trustee

Trustee

## Independent Auditor's Report

To the trustees of The Ruparelia Foundation (A Charitable Trust)

### Opinion

We have audited the financial statements of The Ruparelia Foundation (A Charitable Trust) set out on pages 8 to 26, which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund 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 The Ruparelia Foundation (A Charitable Trust) as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the The trustees incorporation Act, CAP 165.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements for the year ended 30 June 2016 were audited by another auditor who gave unmodified opinion in their report dated 10 October 2016.

### Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the The trustees incorporation Act, CAP 165 of Uganda, which we obtained prior to the date of this report. 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 an audit opinion or 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.

### Responsibilities of the trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the The trustees incorporation Act, CAP 165, and for such internal control as the trustees 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 trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report

### Auditor's responsibilities for the audit of the Financial Statements

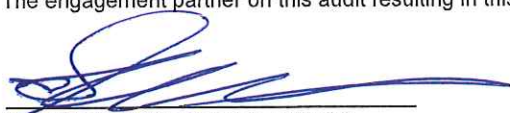
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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, they could 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 International Standards on Auditing, 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 trust 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 trustees 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.

The engagement partner on this audit resulting in this independent auditor's report is CPA Sam Thakkar - P0179.

  
Sam Thakkar FCCA (UK), CPA (U)  
UHY Thakkar & Associates  
Certified Public Accountants  
Plot 1, Mackenzie Close  
Kololo, Kampala

20/10/2017  


# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Statement of Financial Position as at 30 June 2017

	Note(s)	2017 Ugx	2016 Ugx
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible assets	3	3,063,360	5,105,600
<b>Current Assets</b>			
Cash and cash equivalents	4	106,895,059	275,514,862
<b>Total Assets</b>		<b>109,958,419</b>	<b>280,620,462</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		100,000,000	100,000,000
Accumulated surplus		223,419	170,576,420
		<b>100,223,419</b>	<b>270,576,420</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	9,735,000	10,044,042
<b>Total Equity and Liabilities</b>		<b>109,958,419</b>	<b>280,620,462</b>

The financial statements and the notes on pages 8 to 27, were approved by the board of trustees on the 5/10/2017 and were signed on its behalf by:

Trustee

Trustee

The accounting policies on pages 12 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.

## The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

### Statement of Income and Expenditure

	Note(s)	2017 Ugx	2016 Ugx
Donation income	6	102,300,000	462,862,000
Other operating income	7	1,451,908	22,883,124
Other operating expenses		(274,104,909)	(486,656,641)
<b>Operating deficit</b>		<b>(170,353,001)</b>	<b>(911,517)</b>
<b>Deficit for the year</b>		<b>(170,353,001)</b>	<b>(911,517)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the year</b>		<b>(170,353,001)</b>	<b>(911,517)</b>

The accounting policies on pages 12 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.

## The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

### Statement of Changes in Accumulated Fund

	Corpus fund Ugx	Accumulated surplus Ugx	Total Ugx
<b>Balance at 01 July 2015</b>	<b>100,000,000</b>	<b>171,487,937</b>	<b>271,487,937</b>
Deficit for the year	-	(911,517)	(911,517)
Other comprehensive income	-	-	-
<b>Total comprehensive Deficit for the year</b>	<b>-</b>	<b>(911,517)</b>	<b>(911,517)</b>
<b>Balance at 01 July 2016</b>	<b>100,000,000</b>	<b>170,576,420</b>	<b>270,576,420</b>
Deficit for the year	-	(170,353,001)	(170,353,001)
Other comprehensive income	-	-	-
<b>Total comprehensive Deficit for the year</b>	<b>-</b>	<b>(170,353,001)</b>	<b>(170,353,001)</b>
<b>Balance at 30 June 2017</b>	<b>100,000,000</b>	<b>223,419</b>	<b>100,223,419</b>

Note(s)

The accounting policies on pages 12 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Statement of Cash Flows

	Note(s)	2017 Ugx	2016 Ugx
<b>Cash flows from operating activities</b>			
Deficit before taxation		(170,353,001)	(911,517)
<b>Adjustments for:</b>			
Depreciation and amortisation		2,042,240	3,403,600
<b>Changes in working capital:</b>			
Trade and other payables		(309,042)	1,789,000
<b>Cash used in operations</b>		<b>(168,619,803)</b>	<b>4,281,083</b>
<b>Cash flows from financing activities</b>			
<b>Total cash movement for the year</b>		<b>(168,619,803)</b>	<b>4,281,083</b>
Cash at the beginning of the year		275,514,862	271,233,779
<b>Total cash at end of the year</b>	4	<b>106,895,059</b>	<b>275,514,862</b>

The accounting policies on pages 12 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### 1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Uganda Shillings, which is the trust's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

The intangible asset relates to the trust's website (<http://rupareliafoundation.com>).

Amortisation is provided to write down the intangible assets, on diminishing balance.

Item	Percentage (%)
Website	40

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Accounting Policies**

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### **1.3 Financial instruments**

#### **Initial recognition and measurement**

Financial instruments are recognised initially when the trust becomes a party to the contractual provisions of the instruments.

The trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

#### **Trade and other payables**

Trade payables are initially measured at fair value.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### **1.4 Tax**

#### **Tax expenses**

The Trustees' are in the process of renewing the income Tax exemption from the Uganda Revenue Authority.

### **1.5 Impairment of assets**

The trust assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the trust also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1.5 Impairment of assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.6 Provisions and contingencies

Provisions are recognised when:

- the trust has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 9.

### 1.7 Revenue

The donations are recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Accounting Policies**

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### **1.8 Translation of foreign currencies**

#### **Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Uganda Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Uganda Shillings by applying to the foreign currency amount the exchange rate between the Uganda Shilling and the foreign currency at the date of the cash flow.

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Notes to the Financial Statements**

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### **2. New Standards and Interpretations**

#### **2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the trust has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### **Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project**

The amendment clarifies that non-current assets held for distribution to owners should be treated consistently with non-current assets held for sale. It further specifies that if a non-current asset held for sale is reclassified as a non-current asset held for distribution to owners or visa versa, that the change is considered a continuation of the original plan of disposal.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

##### **Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project**

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

##### **Amendment to IAS 19: Employee Benefits: Annual Improvements project**

The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

##### **Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements**

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its financial statements. It also provides amended guidance concerning the order of presentation of the notes in the financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to surplus or deficit and b) that will be reclassified subsequently to surplus or deficit.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

##### **Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project**

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Notes to the Financial Statements**

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### **2. New Standards and Interpretations (continued)**

The amendment allows an entity to present disclosures required by paragraph 16A either in the interim financial statements or by cross reference to another report, for example, a risk report, provided that other report is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

#### **Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants**

The amendment defines bearer plants and include bearer plants within the scope of IAS 16 Property, Plant and Equipment. A bearer plant is defined as a living plant used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Bearer plants were previously within the scope of IAS 41 Agriculture.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

#### **Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption**

The amendment clarifies the consolidation exemption for investment entities. It further specifies that an investment entity which measures all of its subsidiaries at fair value is required to comply with the "investment entity" disclosures provided in IFRS 12. The amendment also specifies that if an entity is itself not an investment entity and it has an investment in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement applied by such associate or joint venture to any of their subsidiaries.

The effective date of the trust is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

#### **IFRS 14 Regulatory Deferral Accounts**

The new standard is an interim standard applicable to entities subject to rate regulation. The standard is only applicable to entities adopting IFRS for the first time. It permits entities to recognise regulatory deferral account balances in the statement of financial position. When the account has a debit balance, it is recognised after total assets. Similarly, when it has a credit balance, it is recognised after total liabilities. Movements in these accounts, either in profit or loss or other comprehensive income are allowed only as single line items.

The effective date of the standard is for years beginning on or after 01 January 2016.

The trust has adopted the standard for the first time in the 2017 financial statements.

The impact of the standard is not material.

#### **Amendment to IAS 27: Equity Method in Separate Financial Statements**

The amendment adds the equity method to the methods of accounting for investments in subsidiaries, associates and joint ventures in the separate financial statements of an entity.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Notes to the Financial Statements**

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### **2. New Standards and Interpretations (continued)**

The impact of the amendment is not material.

#### **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 01 January 2016.

The trust has adopted the amendment for the first time in the 2017 financial statements.

The impact of the amendment is not material.

#### **Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations**

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The trust has adopted the amendments for the first time in the 2017 financial statements.

The impact of the amendments is not material.

### **2.2 Standards and interpretations not yet effective**

The trust has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the trust's accounting periods beginning on or after 01 July 2017 or later periods:

#### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' surplus or deficit only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' surplus or deficit.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### **Insurance Contracts**

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2021.

The trust expects to adopt the standard for the first time in the 2022 financial statements.

It is unlikely that the standard will have a material impact on the trust's financial statements.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

#### Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The trust expects to adopt the interpretation for the first time in the 2020 financial statements.

It is unlikely that the interpretation will have a material impact on the trust's financial statements.

#### IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the trust are as follows:

##### Trust as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in surplus or deficit.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in surplus or deficit. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

##### Trust as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

#### Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16
- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The trust expects to adopt the standard for the first time in the 2020 financial statements.

It is unlikely that the standard will have a material impact on the trust's financial statements.

#### Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle

An entity such as a venture capital organisation, mutual fund or similar institution may elect to measure investments in associates or joint ventures at fair value through surplus or deficit in accordance with IFRS 9 rather than by applying the equity method. The amendment to IAS 28 Investments in Associates and Joint Ventures now specifies that the election must be made separately per associate or joint venture and at the time of initial recognition of such investment.

Further, if an entity is not an investment entity, but has interests in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement of the associate or joint venture. The amendment now provides that such election must be made separately for each investment entity associate or joint venture.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle

The amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards deleted certain short term exemptions concerning disclosures of financial assets, employee benefits and investment entities from IFRS 1.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Transfers of Investment Property: Amendments to IAS 40

# **The Ruparelia Foundation (A Charitable Trust)**

Financial Statements for the year ended 30 June 2017

## **Notes to the Financial Statements**

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### **2. New Standards and Interpretations (continued)**

The amendment deals specifically with circumstances under which property must be transferred to or from investment property. The amendment now requires that a change in use of property only occurs when the property first meets, or ceases to meet, the definition of investment property and that there is evidence of a change in use. The amendment specifies that a change in management's intentions for use of the property, do not, in isolation, provide evidence of a change in use.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

### **Foreign Currency Transactions and Advance Consideration**

The interpretation applies to circumstances when an entity has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to use on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date on which the entity initially recognises the non-monetary asset or liability.

The effective date of the interpretation is for years beginning on or after 01 January 2018.

The trust expects to adopt the interpretation for the first time in the 2019 financial statements.

It is unlikely that the interpretation will have a material impact on the trust's financial statements.

### **Amendments to IFRS 4: Insurance Contracts**

The amendment provides a temporary exemption that permits, but does not require, insurers, under specified criteria, to apply IAS 39 Financial Instruments: Recognition and Measurement, rather than IFRS 9 Financial Instruments for annual periods beginning before 1 January 2021. The exemption is only available provided the insurer has not previously applied any version of IFRS 9 (with some exceptions) and that the activities are predominantly connected with insurance.

A further exemption has been provided from IAS 28 Investments in Associates and Joint Ventures. In terms of the exemption, an insurer is exempt from applying uniform accounting policies when applying the equity method, insofar as the IAS 39/IFRS 9 exemption is applied. Thus, the relevant accounting policies of the associate or joint venture are retained if the entity applies the IFRS9/IAS 39 exemption and the associate or joint venture does not apply the exemption, or visa versa.

The amendment further permits, but does not require, insurers to apply the "overlay approach" to designated financial assets when it first applies IFRS 9. The overlay approach requires the entity to reclassify between profit or loss and other comprehensive income, an amount which results in the profit or loss of the designated financial assets at the end of the reporting period being equal to what it would have been had IAS 39 been applied to the designated financial assets.

Additional disclosures are required as a result of the amendment.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

The impact of this amendment is currently being assessed.

### **Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**

The amendment to IFRS 4 provides a temporary exemption, allowing insurers to apply IAS 39 rather than IFRS 9. The exemption only applies in certain circumstances and only for annual periods beginning before 1 January 2021.

The exemption also introduces an "overlay approach" in specific circumstances. This approach requires the insurer to reclassify an amount between other comprehensive income and surplus or deficit. This results in the surplus or deficit for designated financial assets being the same as if the insurer had applied IAS 39 rather than IFRS 9.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendment now specifies the treatment of vesting and non-vesting conditions with regards to cash-settled share-based payment transactions. The treatment is essentially similar to the treatment of such conditions for equity-settled share-based payment transactions. That is, non-market vesting conditions are taken into consideration when estimating the number of awards which are expected to vest (and which ultimately vest), while market conditions and other non-vesting conditions are taken into consideration when determining the fair value of the share based payment liability, both initially and subsequently.

The amendment also provides for share-based payment transactions with a net settlement feature for withholding tax obligations. Essentially, where the entity is required to withhold part of the equity instruments equal to the tax obligation, the entity is required to account for the payment to tax authorities as a reduction in equity, except to the extent that the payment exceeds the fair value of the equity instruments withheld at net settlement date. The entity should also disclose the amount that it expects to transfer to tax authorities in terms of such transactions.

The amendment further provides guidance in terms of modifications which convert cash-settled share-based payment transactions to equity-settled share-based payment transactions. For such modifications, the equity-settled share based payment transaction is measured by reference to the fair value of the equity instruments granted at modification date, to the extent to which goods or services have been received. The liability for cash-settled share based payment transactions is derecognised on the modification date. Any difference between the two is recognised immediately in surplus or deficit.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The trust expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

### IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in surplus or deficit.
- With regard to the measurement of financial liabilities designated as at fair value through surplus or deficit, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in surplus or deficit. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through surplus or deficit is presented in surplus or deficit.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The trust expects to adopt the standard for the first time in the 2019 financial statements.

It is unlikely that the standard will have a material impact on the trust's financial statements.

### IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

The trust expects to adopt the standard for the first time in the 2019 financial statements.

It is unlikely that the standard will have a material impact on the trust's financial statements.

#### Amendments to IFRS 12: Annual Improvements to IFRS 2014 - 2016 cycle

The amendment to IFRS 12 Disclosures of Interests in Other Entities now provides that if an investment in a subsidiary, associate or joint venture is part of a disposal group that is held for sale, then the disclosure of summary information as per paragraph B10 - B16 of IFRS 12 is not required. IFRS 12 previously only made the exemption for circumstances where the investment itself was classified as held for sale.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The trust expects to adopt the amendment for the first time in the 2018 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The trust expects to adopt the amendment for the first time in the 2018 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

#### Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

In terms of IAS 12 Income Taxes, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The following amendments have been made, which may have an impact on the trust:

If tax law restricts the utilisation of losses to deductions against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Additional guidelines were prescribed for evaluating whether the trust will have sufficient taxable profit in future periods. The trust is required to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

The amendment also provides that the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The trust expects to adopt the amendment for the first time in the 2018 financial statements.

It is unlikely that the amendment will have a material impact on the trust's financial statements.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

	2017 Ugx	2016 Ugx
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### 3. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Intangible assets	23,636,000	(20,572,640)	3,063,360	23,636,000	(18,530,400)	5,105,600

#### Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Intangible assets	5,105,600	(2,042,240)	3,063,360

#### Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Intangible assets	8,509,200	(3,403,600)	5,105,600

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	106,895,059	275,514,862
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### 5. Trade and other payables

Trade payables	9,735,000	10,044,042
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### 6. Revenue

Donations	102,300,000	462,862,000
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### 7. Other operating income

Exchange gain	-	19,453,652
Bank interest	1,451,908	3,429,472
	<b>1,451,908</b>	<b>22,883,124</b>

### 8. Operating profit (loss)

Operating deficit for the year is stated after charging (crediting) the following, amongst others:

<b>Auditor's remuneration - external</b>		
Audit fees	9,735,000	11,539,171

<b>Depreciation and amortisation</b>		
Amortisation of intangible assets	2,042,240	3,403,600

### 9. Contingencies

There are no contingencies as at 30 June 2017.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

2017	2016
Ugx	Ugx

### 10. Comparative figures

Certain comparative figures have been reclassified.

### 11. Going concern

The 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.

The ability of the trust to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations for the trust.

### 12. Events after the reporting period

The Trustees are not aware of any events after the reporting date.

# The Ruparelia Foundation (A Charitable Trust)

Financial Statements for the year ended 30 June 2017

## Detailed Income Statement

	Note(s)	2017 Ugx	2016 Ugx
<b>Revenue</b>			
Donations		102,300,000	462,862,000
<b>Other operating income</b>			
Foreign gain		-	19,453,652
Interest income		1,451,908	3,429,472
	7	<b>1,451,908</b>	<b>22,883,124</b>
<b>Other operating expenses</b>			
Advertising		(1,500,000)	-
Amortisation	3	(2,042,240)	(3,403,600)
Auditors remuneration - external auditors	8	(9,735,000)	(11,539,171)
Interest and Bank charges		(2,350,465)	(2,674,820)
legal fees		(3,684,400)	(8,850,000)
Charity to church		-	(20,000,000)
Cultural activities		(12,359,388)	(3,000,000)
Education and Scholarship		(47,168,193)	(33,173,757)
Fund rising		(8,250,000)	(27,500,000)
Health and child protection		-	(27,000,000)
Medical expenses		(42,700,000)	(148,820,137)
Religious activities		(58,203,163)	(83,092,550)
Social Activities		(27,305,500)	(89,544,600)
Sponsorship		(26,401,020)	(12,900,000)
Sports advancement		(12,387,402)	(14,000,000)
Realised foreign exchange		(20,018,138)	-
Printing and stationery		-	(1,158,006)
		<b>(274,104,909)</b>	<b>(486,656,641)</b>
<b>Deficit for the year</b>		<b>(170,353,001)</b>	<b>(911,517)</b>

The accounting policies on pages 12 to 15 and the notes on pages 16 to 26 form an integral part of the financial statements.