

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

REGISTRATION NUMBER: 002-276 NPO
ANNUAL FINANCIAL STATEMENTS
at 28 February 2015

AUDITORS

RASHEED PEERBHAI AND ASSOCIATES

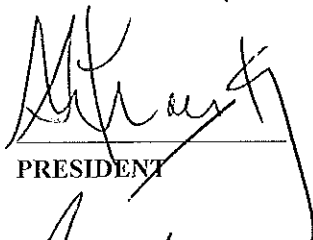
BANKERS

FIRST NATIONAL BANK OF SOUTHERN AFRICA LIMITED

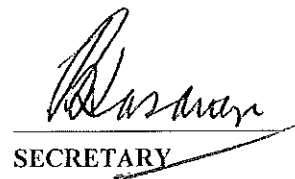
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

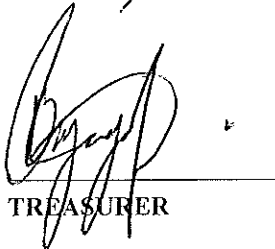
The annual financial statements set out on pages 3 to 9 were approved by the management committee and are signed on its behalf by:-



PRESIDENT



SECRETARY



TREASURER

TONGAAT
17 JULY 2015

**RASHEED
PEERBHAI &
ASSOCIATES**
CHARTERED ACCOUNTANTS (S.A)

**QUALIFIED REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TONGAAT CHILD AND FAMILY WELFARE SOCIETY**

We have audited the accompanying annual financial statements of Tongaat Child And Family Welfare Society which comprise of the Statement of Financial Position as at 28 February 2015, the Statement of Comprehensive Income and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 9.

Board of Management's Responsibility for the Financial Statements

The organisation's Board of Management are responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 judgement, 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 the Board of 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 opinion.

Qualification

In common with similar organizations, it is not feasible for the society to institute accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Audit Opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the above paragraph, the financial statements fairly present, in all material respects, the financial position of the society at 28 February 2015 and the results of its operations and cash flows for the year ended in accordance with statements of South African Generally Accepted Accounting Practice.

Rasheed Peerbhai & Associates

RASHEED PEERBHAI & ASSOCIATES

Chartered Accountants (S.A)

Registered Auditors

TONGAAT

17 JULY 2015



M.R.A PEERBHAI [B.COMM. C.A (S.A)]

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TONGAAT CHILD AND FAMILY WELFARE SOCIETY

STATEMENT OF FINANCIAL POSITION
at 28 February 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Non-current assets		5 883 435	5 414 869
Property, plant and equipment	2	1 424 206	1 356 098
Investments	3	4 459 229	4 058 771
Current assets		1 986 301	1 936 410
Accounts receivable		214 682	134 603
Cash & cash equivalents	4	1 771 619	1 801 807
Total assets		7 869 736	7 351 279
EQUITY AND LIABILITIES			
Capital and reserves		7 548 066	6 971 928
Balance at beginning of year		6 971 928	7 343 452
Surplus/deficit for the year		576 138	(371 524)
Non-current liabilities			
Specific bequests	5	223 012	223 012
Current liabilities		98 658	156 339
Trust creditors		1 258	1 258
Accounts payable		97 400	155 081
Total equity and liabilities		7 869 736	7 351 279

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
INCOME			
Donations: National Lottery Distribution Trust Fund		537 200	-
Donations		41 754	157 129
Excess income over expenditure			
- charity fair	6	429 412	639 585
Interest		347 214	110 731
Membership fees		570	910
Rent received		312 906	300 070
Subsidy		1 978 048	1 477 357
Fundraising: Children's fund		88 580	82 525
Surplus on disposal of asset		<u>25 833</u>	<u>-</u>
		3 761 517	2 768 307
LESS EXPENDITURE - as per schedule		<u>(3 185 379)</u>	<u>(3 139 831)</u>
EXCESS SURPLUS/DEFICIT for the year		<u><u>576 138</u></u>	<u><u>(371 524)</u></u>

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

SCHEDULE OF EXPENDITURE

for the year ended 28 February 2015

	<u>2015</u>	<u>2014</u>
Advertisement	17 213	8 136
Auditors remuneration	17 000	13 750
Current provision	11 000	10 000
Other services	6 000	3 750
Bank charges	8 305	11 327
Children's fund expenses	12 463	4 486
Community programme	8 017	23 770
Community projects	24 926	17 483
Community welfare	19 645	46 012
Depreciation	103 411	66 751
Electricity & water	89 327	41 720
Insurance	55 250	22 605
Motor vehicle expenses	75 390	67 181
Office maintenance	17 786	13 455
Play centre expenses	25 090	16 254
Postage, printing and stationery	65 355	60 747
Repairs and maintenance	51 914	187 491
Building	51 914	169 964
Truro Empowerment Centre	-	17 527
Security	2 600	10 260
Seminars and workshop	899	10 706
Social relief	28 197	36 954
Staff salaries	2 490 438	2 373 616
Sundry expenses	13 715	44 279
Telephone	52 994	62 848
Truro Empowerment Centre expenses	5 444	-
	3 185 379	3 139 831

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
at 28 February 2015**

2015

2014

1. ACCOUNTING POLICIES

The annual financial statements have been prepared on the historical cost basis and incorporate the following principal accounting policy which has been applied on a basis consistent with that of the previous year:-

1.1 Depreciation of fixed asset

Depreciation has been calculated on the reducing balance method. The principal annual rates used for this purpose are:-

Computer equipment	20%
Electrical equipment	10%
Equipment	10%
Furniture & fittings	10%
Motor vehicle	20%
Buildings are not depreciated	

2. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Book value</u>	<u>Book value</u>
Land and buildings	842 006	-	842 006	842 006
Computer equipment	197 751	106 496	91 255	73 063
Electrical equipment	12 393	11 328	1 065	1 184
Equipment	196 576	115 740	80 836	88 016
Furniture and fittings	72 173	33 732	38 441	37 274
Motor vehicles	<u>600 745</u>	<u>230 142</u>	<u>370 603</u>	<u>314 555</u>
	<u>1 921 644</u>	<u>497 438</u>	<u>1 424 206</u>	<u>1 356 098</u>

Land & buildings comprise of:-

Described as ERF 6726 Tongaat (extension no 43) Registration Division FU in the North Local Council Area and in the Durban Metro Area, Province of Kwa-Zulu Natal, in extent 6120 m².

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

at 28 February 2015

	<u>2015</u>	<u>2014</u>
3. INVESTMENTS		
Specific Bequests		
- Investec Bank	-	816 695
Building Fund		
- Funds on call	<u>4 459 229</u>	<u>3 242 076</u>
	<u>4 459 229</u>	<u>4 058 771</u>
4. CASH AND CASH EQUIVALENTS		
R50 000 of the funds in fixed deposit has been ceded to First National Bank as security in respect of overdraft facility.	<u>1 771 619</u>	<u>1 801 807</u>
5. SPECIFIC BEQUESTS		
Various	153 818	153 818
The Manilal Valjee Gandhi Desai High Reunion Centre	<u>69 194</u>	<u>69 194</u>
	<u>223 012</u>	<u>223 012</u>
6. EXCESS INCOME OVER EXPENDITURE - CHARITY FAIR		
INCOME		
Donation	340 688	403 430
Gate takings	304 359	238 497
Interest received	-	113 792
Parking	4 300	3 531
Raffle	51 721	62 026
Restaurant	125 150	96 805
Stalls	<u>154 375</u>	<u>143 981</u>
TOTAL INCOME	980 593	1 062 062
EXPENDITURE	<u>(551 181)</u>	<u>(422 477)</u>
EXCESS INCOME OVER EXPENDITURE	<u>429 412</u>	<u>639 585</u>

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

CASH FLOW STATEMENT
for the year ended 28 February 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Cash generated from/utilized in activities		542 996	(252 651)
Cash applied to activities	1	(1 644 506)	(2 005 379)
Subsidy income		1 978 048	1 477 357
Investment income		347 214	224 523
Increase/decrease in working capital	2	(137 760)	50 848
Cash utilized in investing activities			
Net acquisition of fixed assets		<u>(172 726)</u>	<u>(323 615)</u>
Cash generated		370 270	(576 266)
Bank and cash resources at beginning of year		<u>5 860 578</u>	<u>6 436 844</u>
Bank and cash resources at end of year		<u><u>6 230 848</u></u>	<u><u>5 860 578</u></u>

TONGAAT CHILD AND FAMILY WELFARE SOCIETY

NOTES TO THE CASH FLOW STATEMENT

for the year ended 28 February 2015

	<u>2015</u>	<u>2014</u>
1. CASH APPLIED TO ACTIVITIES		
Excess income/deficit per income statement	576 138	(371 524)
Adjustment for		
- Depreciation	104 618	68 025
- Investment income	(347 214)	(224 523)
- Subsidy income	<u>(1 978 048)</u>	<u>(1 477 357)</u>
	<u>(1 644 506)</u>	<u>(2 005 379)</u>
2. INCREASE/DECREASE IN WORKING CAPITAL		
Increase/decrease in accounts receivable	(80 079)	70 896
Decrease in accounts payable	(57 681)	(57 417)
Decrease in community funds	-	(31 825)
Increase in specific bequests	<u>-</u>	<u>69 194</u>
	<u>(137 760)</u>	<u>50 848</u>