

GRACIA CHILD AND YOUTH CARE CENTRE
(Registration number 115-483 NPO)
Financial statements
for the year ended 28 February 2018

Gracia Child and Youth Care Centre

(Registration number 115-483 NPO)

Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Child welfare, child services and daycare
Members	M Pienaar R van Heerden A van der Ende R Stolper H Stolper L Venter G Delport K Klopper D Delport W van Wyk C van der Westhuizen L van Tonder J van Tonder A van der Westhuizen H du Toit K van Wyk
Registered office	367 Burger Street Pretoria North Pretoria 0182
Business address	367 Burger Street Pretoria North Pretoria 0182
Auditor	JJ Roets Chartered Accountant (S.A.) Practice Number: 04861071
Registration number	115-483 NPO
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Published	18 April 2018

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

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The reports and statements set out below comprise the financial statements presented to the members:

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The following supplementary information does not form part of the financial statements and is unaudited:

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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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Members' Responsibilities and Approval

The members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officer is responsible to determine that the financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act.

The members are also responsible for the entity's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the members have every reason to believe that the corporation has adequate resources in place to continue in operation for the foreseeable future.

The financial statements set out on pages 6 to 17, were approved by the board on 18 April 2018 and were signed by them or on their behalf by:

G Delpont



Independent Auditor's Report

To the members of Gracia Child and Youth Care Centre

I have audited the financial statements of Gracia Child and Youth Care Centre as set out on pages 8 to 16, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes, comprising a summary of significant accounting policies and other explanatory information.

Members' Responsibility for the Financial Statements

The entity's members are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

Donation income

Due to the nature of donation income it is not possible to express an opinion on the completeness of donations received other than that deposited directly into the bank accounts of the entity.

Donations in kind

Donations in kind received consist of food, clothing, products and services. The value of these donations received is based on estimations of management. Due to the nature of these items received it is not possible to express an opinion on the accuracy, completeness or valuation of these items.

All donations in kind is distributed and used in the entity as and when it is received. Likewise it is not possible to express an opinion on the accuracy, completeness or valuation of donations in kind expensed.

Independent Auditor's Report

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Gracia Child and Youth Care Centre as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of my audit of the financial statements for the year ended 28 February 2018, I have read the Member' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report I have not identified material inconsistencies between this report and the audited financial statements. However, I have not audited this report and accordingly do not express an opinion on this report.



JJ Roets

Practice Number: 04861071
18 April 2018

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Members' Report

The members submit their report for the year ended 28 February 2018.

1. Incorporation

The entity was incorporated in South Africa on 22 Jan 2013 and commenced business on the same day.

2. Review of activities

Main business and operations

The entity is engaged in child welfare, child services and daycare and operates in South Africa.

The operating results and state of affairs of the entity are fully set out in the attached financial statements and do not in our opinion require any further comment.

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

4. Events after the reporting period

The members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

5. Non-current assets

There were no major changes in the nature or use of the non-current assets of the entity during the year under review.

6. Distributions

No distributions were made to any members during the year.

7. Members

The members of the entity during the year and to the date of this report are as follows:

Name	Changes
M Pienaar	
R van Heerden	
H Henderson	Member until 31 March 2018
A van der Ende	
R Stolper	
H Stolper	Member from 16 May 2017
L Venter	
G Delpport	
K Klopper	
D Delpport	
W van Wyk	
C van der Westhuizen	
L van Tonder	Member from 16 May 2017
J van Tonder	Member from 16 May 2017
A van der Westhuizen	Member from 16 May 2017
H du Toit	Member from 01 September 2017
K van Wyk	Member from 16 May 2017

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Members' Report

8. Auditor

JJ Roets will continue in office for the next financial period.

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	213,893	235,291
Other financial assets	3	1,243,000	1,267,000
		1,456,893	1,502,291
Current Assets			
Cash and cash equivalents	4	765,237	153,994
Total Assets		2,222,130	1,656,285
Equity and Liabilities			
Reserves			
Operational reserves		2,222,130	1,569,085
Liabilities			
Current Liabilities			
Trade and other payables	5	-	87,200
Total Equity and Liabilities		2,222,130	1,656,285

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Donations received	6	3,360,106	3,001,729
Donations in kind utilised	7	(1,479,206)	(1,130,871)
Gross surplus		1,880,900	1,870,858
Other income	8	8,000	-
Operating expenses		(1,249,749)	(763,596)
Operating surplus	9	639,151	1,107,262
Investment revenue	10	13,894	12,355
Surplus for the year		653,045	1,119,617

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

Figures in Rand	Operational reserves	Total equity
Balance at 01 March 2016	449,468	449,468
Surplus for the year	1,119,617	1,119,617
Other comprehensive income	-	-
Total comprehensive income for the year	1,119,617	1,119,617
Balance at 01 March 2017	1,569,085	1,569,085
Surplus for the year	653,045	653,045
Other comprehensive income	-	-
Total comprehensive income for the year	653,045	653,045
Balance at 28 February 2018	2,222,130	2,222,130

Note(s)

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from operations	13	590,349	1,270,545
Interest income		13,894	12,355
Net cash from operating activities		604,243	1,282,900
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(17,000)	(14,060)
Investment in Gracia Child and Youth Care Trust		-	(1,267,000)
Repayment of investment in Gracia Child and Yoiuth Care Trust		24,000	-
Net cash from investing activities		7,000	(1,281,060)
Total cash movement for the year		611,243	1,840
Cash at the beginning of the year		153,994	152,154
Total cash at end of the year	4	765,237	153,994

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Donations in kind

Judgement is required in calculating the value of donations in kind received. Donations in kind received is utilised as and when it is received and therefore there is no impact on the financial statements as a whole.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
Motor vehicles	5 years
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

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Financial Statements for the year ended 28 February 2018

Accounting Policies

1.2 Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Tax

Tax expenses

The entity is a public benefit organisation. The entity does not trade actively and current donation income received is exempt from any taxation. No provision has been made for any income tax expenses, assets or liabilities.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense as and when it is incurred.

1.5 Impairment of assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired.

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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Revenue

Donation income is recognised as and when it is received.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Financial Statements for the year ended 28 February 2018

Notes to the Financial Statements

Figures in Rand

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	482,309	(330,416)	151,893	451,209	(257,691)	193,518
Motor vehicles	80,000	(56,000)	24,000	80,000	(40,000)	40,000
IT equipment	44,546	(6,546)	38,000	6,546	(4,773)	1,773
Total	606,855	(392,962)	213,893	537,755	(302,464)	235,291

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Additions through donations	Depreciation	Total
Furniture and fixtures	193,518	7,000	24,100	(72,725)	151,893
Motor vehicles	40,000	-	-	(16,000)	24,000
IT equipment	1,773	10,000	28,000	(1,773)	38,000
	235,291	17,000	52,100	(90,498)	213,893

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Additions through donations	Depreciation	Total
Furniture and fixtures	240,692	14,060	12,799	(74,033)	193,518
Motor vehicles	56,000	-	-	(16,000)	40,000
IT equipment	3,622	-	-	(1,849)	1,773
	300,314	14,060	12,799	(91,882)	235,291

3. Other financial assets

At amortised cost

Gracia Child and Youth Care Trust	1,243,000	1,267,000
Funds held for the purchase of the new property was invested in Gracia Child and Youth Care Trust and the property was purchased in the trust. Gracia Child and Youth Care Centre is the sole beneficiary of Gracia Child and Youth Care Trust.		

Non-current assets

At amortised cost	1,243,000	1,267,000
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	995
Bank balances	765,237	65,799
Funds held for GS competition	-	87,200
	765,237	153,994

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Notes to the Financial Statements

Figures in Rand	2018	2017
5. Trade and other payables		
GS competition	-	87,200
GS competition		
Donations received for the GS competition on behalf of Gracia Child and Youth Care Centre. The funds were held in the fixed deposit account until sufficient funds were available to purchase the prize for the competition.		
6. Donations received		
Donations received	1,354,150	851,118
Donations in kind received	1,479,206	1,130,871
Donations received - Competitions	526,750	219,740
Donations received for purchase of house	-	800,000
	3,360,106	3,001,729
7. Donations in kind utilised		
Food	682,916	539,530
Fuel	-	2,800
Clothing	89,765	20,055
Bedding and linnen	48,400	3,700
Toys and books	5,250	1,960
Meals and general support	21,900	-
Medicine and doctors visits	6,400	9,125
School subsidies	497,552	481,934
Sport subsidies	76,600	36,265
Consumables	50,423	35,502
	1,479,206	1,130,871
8. Other income		
Occupation rent received	8,000	-
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Administration and management fees	139,851	102,100
Operating lease charges		
Premises		
• Contractual amounts	246,496	176,277
Depreciation on property, plant and equipment	90,498	91,882
10. Investment revenue		
Interest revenue		
Bank	13,894	12,355

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Notes to the Financial Statements

Figures in Rand 2018 2017

11. Taxation

No provision has been made for tax as the entity is a registered public benefit organisation and has no taxable income.

12. Auditor's remuneration

Fees	6,000	6,000
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13. Cash generated from operations

Surplus for the year	653,045	1,119,617
Adjustments for:		
Depreciation and amortisation	90,498	91,882
Interest received - investment	(13,894)	(12,355)
Property, plant and equipment donated	(52,100)	(12,799)
Changes in working capital:		
Trade and other payables	(87,200)	84,200
	590,349	1,270,545

14. Commitments and Contingencies

The members are not aware of any commitments or contingencies at year end or to the date of this report that may influence the financial statements.

15. Related parties

Relationships

Members

Refer to members' report note 7

16. Transactions with members

There were not any transactions between the entity and the members during the year.

2018

	Salary	Total
L Venter	10,000	10,000
K Klopper	36,100	36,100
	46,100	46,100

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

18. Events after the reporting period

The financial statements were authorised for issue on 18 April 2018 by the board of of the entity.

The members are not aware of any events after the reporting period which may influence this financial statements.

Gracia Child and Youth Care Centre

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Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
Donations received			
Donations received from competitions		526,750	219,740
Donations received for purchase of property		-	800,000
Donations received		1,354,150	851,118
Donations in kind received		1,479,206	1,130,871
	6	3,360,106	3,001,729
Donations in kind utilised	7	(1,479,206)	(1,130,871)
Gross surplus		1,880,900	1,870,858
Other income			
Occupation rent received		8,000	-
Interest received	10	13,894	12,355
		21,894	12,355
Operating expenses			
Administration and management fees		(139,851)	(102,100)
Auditors remuneration	12	(6,000)	(6,000)
Bank charges		(15,797)	(12,377)
Cleaning		(4,884)	(2,955)
Computer expenses		(2,436)	-
Consumables		(26,673)	(14,282)
Depreciation, amortisation and impairments		(90,498)	(91,882)
Entertainment and food expenses		(23,290)	(25,191)
Clothing		(36,560)	(41,904)
Groceries		(71,695)	(86,557)
Holiday and field trips		(149,020)	-
IT expenses		(6,640)	(6,532)
Lease rentals on operating lease		(246,496)	(176,277)
Medical expenses		(23,448)	(14,146)
Motor vehicle expenses		(58,376)	(54,793)
Printing and stationery		(4,690)	(9,508)
Repairs and maintenance		(206,875)	(24,881)
School expenses		(34,618)	(32,342)
Staff welfare and pocket money		(65,460)	(45,300)
Transport		(36,442)	(16,569)
		(1,249,749)	(763,596)
Surplus for the year		653,045	1,119,617