

**CHILD WELFARE SA - TSOLWANA &
SPARROWS CHILD & YOUTH CARE**

(Registration Number 026 - 901 - NPO)

Annual Financial Statements

for the year ended 31 March 2022

Audited Financial Statements

in compliance with the Non-Profit Organisations Act of South Africa

Prepared by: AIG Alt CA (SA)

Title: Financial Manager



CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

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CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2022

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

The Non-Profit Organisation is a Child and Youth Care Centre as defined in the Children's Act (Section 191).

BOARD

David Fourie
Brendon Booyesen
Deanne MacTaggart
Colleen Price
Mia Botha
Israel Jovo

BUSINESS ADDRESS

8 Cathcart Road
Tarkastad
5370

TAX NUMBER

9047802161

INDEPENDENT AUDITOR

A2A Kopano Incorporated
19 Grey Street
Queenstown
5319

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

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BOARD'S RESPONSIBILITIES AND APPROVAL

The board members are required by the Non-Profit Organisations Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Non-Profit Organisation, and explain the transactions and financial position of the business of the Non-Profit Organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Non-Profit Organisation and supported by reasonable and prudent judgements and estimates.

The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the Non-Profit Organisation and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members set 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 Non-Profit Organisation and all employees are required to maintain the highest ethical standards in ensuring the Non-Profit Organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Non-Profit Organisation is on identifying, assessing, managing and monitoring all known forms of risk across the Non-Profit Organisation. While operating risk cannot be fully eliminated, the Non-Profit Organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the board members have no reason to believe that the Non-Profit Organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the Non-Profit Organisation.

The annual financial statements have been audited by the independent auditing firm, A2A Kopano Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the board members, the board members and committees of the board members. The board members believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 9, which have been prepared on the going concern basis, were approved by the board members and were signed on 1 September 2022 on their behalf by:

David Fourie

Brendon Booysen

Deanne MacTaggart

Colleen Price

Mia Botha

Israel Jovo

REPORT OF THE INDEPENDENT AUDITOR

To the Board Members of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care

Unqualified Opinion

We have audited the financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care set out on pages 6 to 9, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care for the year ended 31 March 2022 are prepared, in all material respects, in accordance with 2 to the financial statements and the requirements of the Non-Profit Organisations Act of South Africa.

Basis for Opinion

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

Other Information

The board members are responsible for the other information. The other information comprises the information included in the document titled "Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Annual Financial Statements for the year ended 31 March 2022", which includes the statement of Board's Responsibilities and Approval as required by the Non-Profit Organisations Act of South Africa, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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.

IRBA. NO. 901944-0011 • Co. Reg. No.: 1998/014078/21

Responsibilities of the Board members for the Financial Statements

The board members are responsible for the preparation of the financial statements in accordance with 2 to the financial statements and the requirements of the Non-Profit Organisations Act of South Africa, and for such internal control as the board members 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 board members are responsible for assessing the Non-Profit Organisation'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 board members either intend to liquidate the Non-Profit Organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Non-Profit Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' 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 Non-Profit Organisation'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 Non-Profit Organisation 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 board members 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.

A2A KOPANO INCORPORATED

Registered Auditors

Member: AIG Alt

1 September 2022

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	1 204 728	1 190 382
Loan to related entity	5	133 748	119 628
		1 338 476	1 310 010
Current assets			
Trade and other receivables	4	-	1 047
Cash and cash equivalents	6	630 037	777 602
		630 037	778 649
Total assets		1 968 513	2 088 659
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		1 921 458	2 055 559
Liabilities			
Current liabilities			
Trade and other payables	7	47 055	33 100
Total equity and liabilities		1 968 513	2 088 659

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STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2022	2021
Revenue		
Department of Social Development subsidy	960 000	816 000
Donation received	352 981	417 531
Fundraising	28 560	77 211
Interest received	10 425	6 453
Membership fees received	450	500
National Lottery Grant	-	705 317
Sundry income	10 589	86 887
	1 363 005	2 109 899
Administrative expenses		
Accounting fees	20 827	27 326
Bank charges	1 754	5 129
Clothing	22 745	16 795
Groceries and food	4 319	69 204
	49 645	118 454
Other expenses		
Advertising	363	806
Cleaning	1 180	2 772
Computer expenses	4 744	4 572
Depreciation	3 061	-
Entertainment - Staff and children	9 902	2 045
Insurance	50 846	46 757
Licences	2 761	2 508
Medical expenses	8 449	7 408
Municipal charges	7 229	12 153
National lottery - Expenses	381 972	133 841
Paraffin and gas	10 743	-
Printing and stationery	21 623	11 093
Repairs and maintenance	47 692	53 082
Salaries and wages	773 927	884 721
School fees and registration	4 800	300
Sundry expenses	92 963	72 087
Telephone, fax and internet	1 285	8 080
Training expenses	9 286	2 162
Travel - Local	14 635	7 878
	1 447 461	1 252 265
(Deficit) / Surplus for the year	(134 101)	739 180
Accumulated surplus from prior year	2 055 559	1 316 379
Accumulated surplus per statement of financial position	1 921 458	2 055 559

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2022

2021

3. Property, plant and equipment

3.1 Balances at year end and movements for the year:

	Land and Buildings	Motor vehicles	Furniture and equipment	Total
Reconciliation for the year ended 31 March 2022				
Balance at 1 April 2021				
At cost	1 190 241	577 948	19 827	1 788 016
Accumulated depreciation	-	(577 942)	(19 692)	(597 634)
Net book value	1 190 241	6	135	1 190 382
Movements for the year ended 31 March 2022				
Additions from acquisitions	-	-	17 407	17 407
Depreciation	-	-	(3 061)	(3 061)
Property, plant and equipment at the end of the year	1 190 241	6	14 481	1 204 728
Closing balance at 31 March 2022				
At cost	1 190 241	577 948	37 234	1 805 423
Accumulated depreciation	-	(577 942)	(22 753)	(600 695)
Net book value	1 190 241	6	14 481	1 204 728
Reconciliation for the year ended 31 March 2021				
Balance at 1 April 2020				
At cost	1 190 241	577 948	19 827	1 788 016
Accumulated depreciation	-	(577 942)	(19 692)	(597 634)
Net book value	1 190 241	6	135	1 190 382
Closing balance at 31 March 2021				
At cost	1 190 241	577 948	19 827	1 788 016
Accumulated depreciation	-	(577 942)	(19 692)	(597 634)
Net book value	1 190 241	6	135	1 190 382

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2022

2021

3.2 Property details:

Erven 1287 and 1288

- At cost

20 040

20 040

Erven 1286 and 1289

- At cost

36 139

13 139

Erven 1294 and 1295

- At cost

48 000

48 000

Erf 1296

- At cost

3 000

3 000

Improvements

- 1999 and 2000

68 557

68 557

- 2001

80 174

80 174

- 2002

105 660

105 660

- 2003

22 573

22 573

- 2004

43 454

43 454

- 2011

95 895

95 895

- 2012

94 708

94 708

- 2013

35 000

35 000

- 2015

492 793

492 793

- 2016

44 248

44 248

1 083 062

1 083 062

4. Trade and other receivables

Value Added Tax

-

1 047

5. Loan to related entity

Kabouterland Educare Centre

133 748

119 628

The loan is unsecured, is run on current account basis and is interest free. The loan is repayable at the discretion of the board members and will not be recalled within the next 12 months.

6. Cash and cash equivalents

Cash on hand

9 427

-

Balances with banks

620 610

777 602

630 037

777 602

7. Trade and other payables

Trade creditors

31 166

33 100

Value Added Tax

15 889

-

47 055

33 100