

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

(Registration Number 026 - 901 - NPO)

**Annual Financial Statements
for the year ended 31 March 2024**

Audited Financial Statements

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



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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

INDEX	PAGE
General Information	2
Board Members' Responsibilities and Approval	3 - 4
Report of the Compiler	5
Report of the Independent Auditor	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9 - 10
Accounting Policies	11 - 12
Notes to the Annual Financial Statements	13 - 15

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

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 Deanne MacTaggart Mia Botha Alicia Solani Thembakazi Mabuto Nomfundo Mchunu-Siqhaza
BUSINESS ADDRESS	8 Cathcart Road Tarkastad 5370
TAX NUMBER	9047802161
INDEPENDENT AUDITOR	A2A Kopano Incorporated 19 Grey Street Queenstown 5319
COMPILER	Charteris & Barnes CC 19 Grey Street Queenstown 5319

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

BOARD MEMBERS' 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 annual 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 qualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 8 to 15 which have been prepared on the going concern basis, were approved by the board members and were signed on 25 July 2024 on their behalf by:



David Fourie



Deanne MacTaggart

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

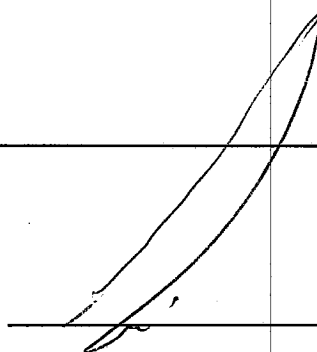
(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

BOARD MEMBERS' RESPONSIBILITIES AND APPROVAL



Mia Botha



Alicia Solani



Thembakazi Mabuto



Nomfundo Mchunu-Siqhaza

REPORT OF THE COMPILER

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

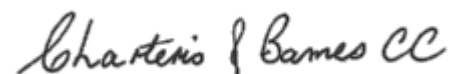
We have compiled the accompanying annual financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre based on information you have provided. These annual financial statements comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with note 2 to the annual financial statements and the requirements of the Non-Profit Organisations Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with note 2 to the financial statements.



CHARTERIS & BARNES CC
Chartered Accountants
25 July 2024

Members: Ignatius Wait CA(SA), Gary McLean CA(SA), Laurene Mokawem CA(SA), Rino Nepgen CA(SA) & Solize Coetzer CA(SA)
Partners: Craig Schenk MBA, PA(SA), Francois Nel CA(SA), Celia Visser CA(SA) & Luxolo Tom AGA(SA)
Professional Consultant: HA Wormald
Associates: J Fourie & JG Mattheüs
Offices in: Queenstown, King William's Town, East London & Port Alfred

Charteris & Barnes CC | Registration No: 1988/O13996/23 | VAT Registration No: 4520112519 | SAICA No: O3O55241

REPORT OF THE INDEPENDENT AUDITOR

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

Qualified Opinion

We have audited the annual financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre set out on pages 8 to 15, which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre for the year ended 31 March 2024 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 Qualified Opinion

In common with similar organisations it is not feasible for management to institute accounting controls over cash collections prior to the cash being deposited into the bank account. Accordingly, it was impracticable for our examination to extend beyond the monies actually deposited.

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 Annual 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 qualified 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 Centre Annual Financial Statements for the year ended 31 March 2024", which includes the statement of Board Members' 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 annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Board Members for the Annual Financial Statements

The chairperson is responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 2 to the financial statements and the requirements of the Non-Profit Organisations Act of South Africa, and for such internal control as the chairperson determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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

A2A KOPANO INCORPORATED

Registered Auditors

Director: L Mokawem

25 July 2024

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	1 205 177	1 209 227
Loan to related entity	5	198 422	131 868
		1 403 599	1 341 095
Current assets			
Trade and other receivables	4	-	6 608
Cash and cash equivalents	6	133 051	283 437
		133 051	290 045
Total assets		1 536 650	1 631 140
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		1 489 720	1 593 189
Liabilities			
Current liabilities			
Trade and other payables	7	46 930	37 951
Total equity and liabilities		1 536 650	1 631 140

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

STATEMENT OF COMPREHENSIVE INCOME

Figures in R

	2024	2023
Revenue		
Department of Social Development subsidy	1 137 120	960 000
Donations received	417 688	378 095
Fundraising	1 390	22 330
Insurance claim received	10 359	62 813
Interest received	3 395	11 020
Rental income	19 239	6 848
	1 589 191	1 441 106
Other income		
Discount received	42 600	298
Administrative expenses		
Accounting fees	66 485	57 231
Bank charges	9 272	7 125
Subscriptions	37 068	21 821
Telephone and internet	7 915	12 212
	120 740	98 389
Other expenses		
Advertising	-	839
Cleaning	9 190	9 291
Clothing	38 698	29 524
Depreciation	12 394	9 494
Entertainment - staff and children	19 290	11 344
Fines and penalties	6 760	2 964
Fuel and gas	62 869	46 474
Fundraising	800	3 669
Groceries	185 466	90 400
Insurance	49 600	53 372
Licences	3 258	4 763
Medical expenses	7 239	24 333
Municipal charges	20 407	12 518
Printing and stationery	26 557	30 717
Repairs and maintenance	36 729	174 953
Salaries and wages	1 194 208	1 150 977
School fees and registration	10 637	12 500
School sports and educational trips	13 062	6 078
Training expenses	4 302	3 705
Travel and accommodation	2 095	6 643
	1 703 561	1 684 558
Other gains and losses		
Gain on sale - Property, plant and equipment	90 433	13 302

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2024	2023
Finance costs		
Interest	1 392	28
Deficit for the year	(103 469)	(328 269)
Accumulated surplus at the beginning of the year	1 593 189	1 921 458
Accumulated surplus per statement of financial position	1 489 720	1 593 189

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

ACCOUNTING POLICIES

1. General information

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

The Non-Profit Organisation is incorporated as a Non-Profit Organisation and domiciled in South Africa. The address of its registered office is 8 Cathcart Road, Tarkastad, 5370.

2. Basis of preparation and summary of significant accounting policies

The annual financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre have been prepared in accordance with the basis of accounting set out below and the Non-Profit Organisations Act of South Africa. The annual financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the board members.

The Non-Profit Organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Non-Profit Organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Depreciation rate
Motor vehicles	25%
Furniture and equipment	33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

2.2 Financial instruments

Loan to related entity

The loan to group entity is classified as a financial asset at amortised cost, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest rate method.

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Non-Profit Organisation will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

2.3 Revenue

Revenue is measured at the fair value of the consideration received and is recognised once it has been deposited into the bank account.

Interest income is recognised using the effective interest rate method.

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2024

2023

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 2024				
Balance at 1 April 2023				
At cost	1 190 241	565 596	51 229	1 807 066
Accumulated depreciation	-	(565 592)	(32 247)	(597 839)
Net book value	1 190 241	4	18 982	1 209 227
Movements for the year ended 31 March 2024				
Additions	-	-	8 346	8 346
Depreciation	-	-	(12 394)	(12 394)
Disposals	-	(2)	-	(2)
Property, plant and equipment at the end of the year	1 190 241	2	14 934	1 205 177
Closing balance at 31 March 2024				
At cost	1 190 241	485 414	59 575	1 735 230
Accumulated depreciation	-	(485 412)	(44 641)	(530 053)
Net book value	1 190 241	2	14 934	1 205 177
Reconciliation for the year ended 31 March 2023				
Balance at 1 April 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
Movements for the year ended 31 March 2023				
Additions	-	-	13 995	13 995
Depreciation	-	-	(9 494)	(9 494)
Disposals	-	(2)	-	(2)
Property, plant and equipment at the end of the year	1 190 241	4	18 982	1 209 227
Closing balance at 31 March 2023				
At cost	1 190 241	565 596	51 229	1 807 066
Accumulated depreciation	-	(565 592)	(32 247)	(597 839)
Net book value	1 190 241	4	18 982	1 209 227

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2024

2023

3.2 Property details:

Erven 1287 and 1288

- At cost	20 040	20 040
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Erven 1286 and 1289

- At cost	36 139	36 139
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Erven 1294 and 1295

- At cost	48 000	48 000
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Erf 1296

- At cost	3 000	3 000
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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
	<u>1 083 062</u>	<u>1 083 062</u>

Total land and buildings

	<u>1 190 241</u>	<u>1 190 241</u>
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4. Trade and other receivables

Staff loans	-	3 690
Value Added Tax	-	2 918
	<u>-</u>	<u>6 608</u>

5. Loan to related entity

Kabouterland Educare Centre	<u>198 422</u>	<u>131 868</u>
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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	2 157	9 675
Balances with banks	130 894	273 762
	<u>133 051</u>	<u>283 437</u>

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2024

2023

7. Trade and other payables

Trade creditors	17 172	30 900
Payroll creditor	19 466	7 051
Other payables	10 292	-
	<u>46 930</u>	<u>37 951</u>