

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

(Registration Number 026 - 901 - NPO)

**Annual Financial Statements
for the year ended 31 March 2025**

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 2025

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2025

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

Melanie van Heerden (Chairperson)
Thembakazi Mabuto (Treasurer)
Nomfundo Siqhaza (Deputy Chairperson)
Carol Boast (Secretary)
Bongiwe Makwela-Mzileni
Mauritz Burger

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 CENTRE

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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. These annual financial statements have been prepared in accordance with the IFRS for SMEs[®] Accounting Standard as issued by the International Accounting Standards Board (IASB[®]) and 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 7 to 14 which have been prepared on the going concern basis, were approved by the board members and were signed on 3 November 2025 on their behalf by:



Melanie van Heerden
(Chairperson)



Thembakazi Mabuto
(Treasurer)



CHARTERIS & BARNES

CLOSE CORPORATION

CHARTERED ACCOUNTANTS (SA)

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Docex 13

REPORT OF THE ACCOUNTING OFFICER

Report of the accounting officer to Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre

We have performed the duties of accounting officer to Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre for the year ended 31 March 2025 as required by Section 62 of the Close Corporations Act, 1984. The annual financial statements set out on pages 7 to 14 are the responsibility of the board members. No assurance is required by the Act to be carried out and no assurance engagement was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on the annual financial statements.

Duties of the accounting officer

We report, as required in terms of section 62(1) of the Close Corporations Act of South Africa, having adopted such procedures and conducting such enquiries in relation to the accounting records as we have agreed with you, that:

- the annual financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act; and
- the accounting policies presented to us as having been applied in the preparation of the annual financial statements are appropriate.

CHARTERIS & BARNES CC

Partner: JG Mattheüs

Chartered Accountants (SA)

3 November 2025

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) & Gerhard Mattheüs CA(SA)
Professional Consultant: HA Wormald
Associates: J Fourie
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: O3055241



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 7 to 14, which comprise the statement of financial position as at 31 March 2025, 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 present fairly, in all material respects, the financial position of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care Centre as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with notethe IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 2025", 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 board members are responsible for the preparation and fair presentation of the annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 annual 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

3 November 2025

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

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2025

STATEMENT OF FINANCIAL POSITION

Figures in R

Notes 2025 2024

ASSETS

Non-current assets

Property, plant and equipment	3	1 223 941	1 205 177
Loan to related party	5	181 452	198 422
		<u>1 405 393</u>	<u>1 403 599</u>

Current assets

Trade and other receivables	4	49 066	-
Cash and cash equivalents	6	236 046	133 051
		<u>285 112</u>	<u>133 051</u>

Total assets

1 690 505 1 536 650

EQUITY AND LIABILITIES

Equity

Accumulated surplus		1 625 061	1 489 720
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Liabilities

Current liabilities

Trade and other payables	7	65 444	46 930
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Total equity and liabilities

1 690 505 1 536 650

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

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Annual Financial Statements for the year ended 31 March 2025

STATEMENT OF COMPREHENSIVE INCOME

Figures in R

	2025	2024
Revenue		
Department of Social Development subsidy	1 542 600	1 137 120
Donations	427 649	417 688
Fundraising	3 970	1 390
Insurance claim	168 870	10 359
Membership fees	650	-
Rent	-	19 239
	2 143 739	1 585 796
Other income		
Discount received	-	42 600
Administrative expenses		
Accounting fees	58 221	66 485
Bank charges	12 892	9 272
Subscriptions	34 597	37 068
Telephone and internet	9 278	7 915
	114 988	120 740
Other expenses		
Cleaning	20 081	9 190
Clothing	54 960	38 698
Depreciation	25 098	12 394
Entertainment - Staff and children	16 338	19 290
Fines and penalties	6 581	6 760
Fuel and gas	71 157	62 869
Fundraising	838	800
Groceries	323 671	185 466
Insurance	50 196	49 600
Licences	1 374	3 258
Medical expenses	9 914	7 239
Municipal charges	25 970	20 407
Printing and stationery	22 928	26 557
Repairs and maintenance	74 311	36 729
Salaries and wages	1 142 893	1 194 208
School fees and registration	26 260	10 637
School sports and educational trips	15 400	13 062
Training expenses	2 040	4 302
Travel and accommodation	2 699	2 095
	1 892 709	1 703 561

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STATEMENT OF COMPREHENSIVE INCOME

Figures in R

	2025	2024
Other gains and losses		
Gain or loss on sale of property, plant and equipment	-	90 433
Finance income		
Local interest	2 008	3 395
Finance costs		
Local interest	2 709	1 392
Surplus / (Deficit) for the year	135 341	(103 469)
Accumulated surplus at the beginning of the year	1 489 720	1 593 189
Accumulated surplus per statement of financial position	1 625 061	1 489 720

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

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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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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%

2.2 Financial instruments

Loan to related entity

The loan to related party is classified as a debt instrument, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest rate method.

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.

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ACCOUNTING POLICIES

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.

Subsidy and donations received comprises the fair value of the consideration received and is recognised once it has been deposited into the bank account.

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2025

2024

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 2025				
Balance at 1 April 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
Movements for the year ended 31 March 2025				
Additions	-	-	43 862	43 862
Depreciation	-	-	(25 098)	(25 098)
Property, plant and equipment at the end of the year	1 190 241	2	33 698	1 223 941
Closing balance at 31 March 2025				
At cost	1 190 241	485 414	103 437	1 779 092
Accumulated depreciation	-	(485 412)	(69 739)	(555 151)
Net book value	1 190 241	2	33 698	1 223 941
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

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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	2025	2024
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
	<u>1 083 062</u>	<u>1 083 062</u>
Total land and buildings	<u>1 190 241</u>	<u>1 190 241</u>
4. Trade and other receivables		
Value Added Tax	49 066	-
5. Loan to related party		
Kabouterland Educare Centre	181 452	198 422
<p>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.</p>		
6. Cash and cash equivalents		
Cash on hand	6 965	2 157
Balances with banks	229 081	130 894
	<u>236 046</u>	<u>133 051</u>
7. Trade and other payables		
Trade creditors	18 200	17 172
Payroll creditor	13 127	19 466
Other payables	34 117	10 292
	<u>65 444</u>	<u>46 930</u>

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

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2025

2024

8. Change of the organisation's name

Effective 6 May 2025, the entity changed its trading name from Child Welfare South Africa - Tsolwana & Sparrows Child & Youth Care Centre to Sparrows Children's Home. The change does not affect the legal structure or operations of the entity.