



Child and Youth Care Centre

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PBO: 93000-5523 (18a)

Financial Statements

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2021

REPORT OF THE MEMBERS

The board members present their report for the year ended 31 March 2021.

1. Review of activities

Main business and operations

The Non-Profit Organisation is a shelter for less and underprivileged children. There were no major changes herein during the year.

The operating results and statement of financial position of the Non-Profit Organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual 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 board members have given due consideration to the potential impact of the COVID-19 pandemic on the Non-Profit Organisation's ability to continue as a going concern. The board members believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the board members are of the view that the Non-Profit Organisation has sufficient resources to continue as a going concern.

3. Board members

The board members of the Non-Profit Organisation during the year and up to the date of this report are as follows:

David Fourie

Brendon Booysen

Deanne MacTaggart

Colleen Price

Mia Botha

Israel Jovo

4. Secretary

The Non-Profit Organisation designated secretary is Deanne MacTaggart.

5. Independent auditor

A2A Kopano Incorporated was the independent auditor for the year under review.



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Queenstown, 5319
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REPORT OF THE INDEPENDENT AUDITOR

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

Qualified Opinion

We have audited the financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care set out on pages 9 to 16, which comprise the statement of financial position as at 31 March 2021, 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, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting described in note 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 the board members to institute accounting controls over cash collections prior to the cash being receipted. Accordingly, it was impracticable for our examination to extend beyond the monies actually receipted.

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 qualified opinion.

Emphasis of Matter - Going Concern

We draw attention to note 8 of the financial statements which indicates how COVID-19 has affected Child Welfare SA - Tsolwana & Sparrows Child & Youth Care to date, and results in certain uncertainties related financial position, performance and cash flows of the entity. These events or conditions indicate that an uncertainty exists that may cause doubt on Child Welfare SA - Tsolwana & Sparrows Child & Youth Care's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 2021", which includes the Report of the Members, and 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 financial statements and our auditor's report thereon.

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

Directors: Chairman: KJ Sithole
Chief Executive Officer: HAS Moosa
Chairman of Executive Committee: MSA Paruk
List of Directors available at the registered office or national website.

Offices in: Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Free State, Western Cape and North West

Website: www.a2akopano.co.za



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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.

Responsibilities of the Board members for the Financial Statements

The board members are responsible for the preparation of the financial statements in accordance with the basis of accounting 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 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.

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Child and Youth Care Centre

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: AIG Alt
27 August 2021



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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 2021

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	3	1 190 382	1 190 382
Loan to related entity	5	119 628	103 160
		1 310 010	1 293 542
Current assets			
Trade and other receivables	4	1 047	4 070
Cash and cash equivalents	6	777 602	116 995
		778 649	121 065
Total assets		2 088 659	1 414 607
Equity and liabilities			
Equity			
Accumulated surplus		2 055 562	1 316 382
Liabilities			
Current liabilities			
Trade and other payables	7	33 097	47 847
Bank overdraft	6	-	50 378
		33 097	98 225
Total equity and liabilities		2 088 659	1 414 607

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2021

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2021	2020
Revenue		
Auction	-	61 060
Department of Social Development subsidy	816 000	1 121 996
Donation received	417 531	277 386
Fundraising	77 211	20 785
Interest received	6 453	3 918
Membership fees received	500	350
National Lottery Grant	705 317	-
Sundry income	86 887	8 970
	2 109 899	1 494 465
Administrative expenses		
Accounting fees	27 326	14 436
Bank charges	5 129	14 527
Clothing	16 795	18 709
Groceries and food	69 204	117 099
Subscriptions	-	12 326
	118 454	177 097



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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 2021

STATEMENT OF COMPREHENSIVE INCOME

Figures in R

	2021	2020
Other expenses		
Advertising	806	1 206
Cleaning	2 772	4 538
Depreciation	-	1 853
Electricity and water	1 457	-
Entertainment - Staff and children	2 045	5 495
Foster home	-	21 530
Fundraising	-	8 868
Insurance	46 757	47 333
Internet and computer expenses	4 572	-
Licences	2 508	3 975
Medical expenses	7 408	2 401
Municipal charges	10 696	15 777
National lottery - Expenses	133 841	-
Paraffin and gas	-	10 720
Printing, stationery and postage	11 093	17 633
Repairs and maintenance	53 082	48 046
Salaries and wages	884 721	950 344
School fees and registration	300	14 300
Sundry expenses	72 087	5 321
Telephone	8 080	7 630
Training expenses	2 162	-
Travel and accommodation expenses	7 878	21 661
	1 252 265	1 188 631
Surplus for the year	739 180	128 737
Accumulated surplus from prior year	1 316 382	1 187 645
Accumulated surplus per statement of financial position	2 055 562	1 316 382

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2021

ACCOUNTING POLICIES

1. General information

Child Welfare SA - Tsolwana & Sparrows Child & Youth Care ('the Non-Profit Organisation') is a shelter for less and underprivileged children.

2. Basis of preparation and summary of significant accounting policies

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

The financial statements of Child Welfare SA - Tsolwana & Sparrows Child & Youth Care have been prepared in accordance with the basis of accounting set out below and the Non-Profit Organisations Act of South Africa. The 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	Useful life
Motor vehicles	4 years
Furniture and equipment	6 years
Office equipment	3 years

2.2 Financial instruments

Loan to group entity

This can include loans between holding entities, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

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.

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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CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2021

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 or receivable. Revenue is shown net of returns, rebates and discounts.

Interest income is recognised using the effective interest rate method.

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)
 Annual Financial Statements for the year ended 31 March 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R 2021 2020

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 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
Reconciliation for the year ended 31 March 2020				
Balance at 1 April 2019				
At cost	1 190 241	577 948	22 600	1 790 789
Accumulated depreciation	-	(576 089)	(19 692)	(595 781)
Net book value	1 190 241	1 859	2 908	1 195 008
Movements for the year ended 31 March 2020				
Depreciation	-	(1 853)	-	(1 853)
Property, plant and equipment at the end of the year	1 190 241	6	2 908	1 193 155
Closing balance at 31 March 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



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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 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

	2021	2020
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	4 070
5. Loan to related entity		
Kabouterland Educare Centre	119 628	103 160

The loan is unsecured, is run on current account basis and is interest free. There are no payment terms and the loan is repayable at the discretion of the board members.

CHILD WELFARE SA - TSOLWANA & SPARROWS CHILD & YOUTH CARE

(Registration Number 026 - 901 - NPO)

Annual Financial Statements for the year ended 31 March 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2021

2020

6. Cash and cash equivalents

6.1 Cash and cash equivalents included in current assets:

Cash on hand	-	4 787
Balances with banks	777 602	112 208
	<u>777 602</u>	<u>116 995</u>

6.2 Overdrawn cash and cash equivalents included in current liabilities:

Bank overdrafts	-	(50 378)
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7. Trade and other payables

Trade creditors	33 097	47 847
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8. Going concern

The annual 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 board members have given due consideration to the potential impact of the COVID-19 pandemic on the Non-Profit Organisation's ability to continue as a going concern. The board members believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges, the board members are of the view that the Non-Profit Organisation has sufficient resources to continue as a going concern.



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KABOUTERLAND EDUCARE CENTRE

(Registration Number 026 - 901- NPO)

Annual Financial Statements for the year ended 31 March 2021

REPORT OF THE MEMBERS

The board members present their report for the year ended 31 March 2021.

1. Review of activities

Main business and operations

The Non-Profit Organisation is a pre-primary play school. There were no major changes herein during the year.

The operating results and statement of financial position of the Non-Profit Organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual 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 board members have given due consideration to the potential impact of the COVID-19 pandemic on the Non-Profit Organisation's ability to continue as a going concern. The board members believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the board members are of the view that the Non-Profit Organisation has sufficient resources to continue as a going concern.

3. Board members

The board members of the Non-Profit Organisation during the year and up to the date of this report are as follows:

David Fourie

Brendon Booysen

Deanne MacTaggart

Colleen Price

Mia Botha

Israel Jovo

4. Secretary

The Non-Profit Organisation designated secretary is Deanne MacTaggart.

5. Independent auditor

A2A Kopano Incorporated was the independent auditor for the year under review.



REPORT OF THE INDEPENDENT AUDITOR

To the Board Members of Kabouterland Educare Centre

Qualified Opinion

We have audited the financial statements of Kabouterland Educare Centre set out on pages 9 to 13, which comprise the statement of financial position as at 31 March 2021, 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, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Kabouterland Educare Centre for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting described in note 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 the board members to institute accounting controls over cash collections prior to the cash being receipted. Accordingly, it was impracticable for our examination to extend beyond the monies actually receipted.

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 qualified opinion.

Emphasis of Matter - Going Concern

We draw attention to note 7 to the financial statements which indicates how Covid-19 has affected Kabouterland Educare Centre to date, and results in certain uncertainties related financial position, performance and cash flows of the entity. These events or conditions indicate that an uncertainty exists that may cause doubt on Kabouterland Educare Centre's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The board members are responsible for the other information. The other information comprises the information included in the document titled "Kabouterland Educare Centre Annual Financial Statements for the year ended 31 March 2021", which includes the Report of the Members, and 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 financial statements and our auditor's report thereon.

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

Directors: Chairman: KJ Sithole
Chief Executive Officer: HAS Moosa
Chairman of Executive Committee: MSA Paruk
List of Directors available at the registered office or national website.

Offices in: Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Free State, Western Cape and North West

Website: www.a2akopano.co.za



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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.

Responsibilities of the Board members for the Financial Statements

The board members are responsible for the preparation of the financial statements in accordance with the basis of accounting 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 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.

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hello@tarkasparrows.org.za | honcho@tarkasparrows.org.za
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NPO: 026-901 | PBO: 93000-5523 (18a)



Child and Youth Care Centre

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: AIG Alt

27 August 2021



Child and Youth Care Centre

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KABOUTERLAND EDUCARE CENTRE

(Registration Number 026 - 901- NPO)

Annual Financial Statements for the year ended 31 March 2021

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	3	246 382	266 911
Current assets			
Cash and cash equivalents	4	9 968	5 846
Total assets		256 350	272 757
Equity and liabilities			
Equity			
Accumulated surplus		119 822	154 998
Liabilities			
Non-current liabilities			
Loan from related entity	6	119 628	103 160
Current liabilities			
Trade and other payables	5	16 900	14 599
Total equity and liabilities		256 350	272 757

KABOUTERLAND EDUCARE CENTRE

(Registration Number 026 - 901- NPO)
 Annual Financial Statements for the year ended 31 March 2021

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2021	2020
Revenue		
Fundraising income	-	1 650
School fees	2 200	15 140
Subsidy received - Department of Social Development	61 710	71 280
	63 910	88 070
Administrative expenses		
Accounting fees	17 768	15 467
Bank charges	3 180	3 444
	20 948	18 911
Other expenses		
Bad debts	-	5 820
Depreciation	20 529	20 529
Electricity and water	-	2 050
Groceries	1 742	5 310
Municipal charges	650	-
Printing and stationery	159	-
Repairs and maintenance	3 800	180
Salaries and wages	49 809	88 473
Sundries	1 449	48
	78 138	122 410
Deficit for the year	(35 176)	(53 251)
Accumulated surplus from prior year	154 998	208 249
Accumulated surplus per statement of financial position	119 822	154 998



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KABOUTERLAND EDUCARE CENTRE

(Registration Number 026 - 901- NPO)

Annual Financial Statements for the year ended 31 March 2021

ACCOUNTING POLICIES

1. General information

Kabouterland Educare Centre ('the Non-Profit Organisation') is a pre-primary play school.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Kabouterland Educare Centre have been prepared in accordance with the basis of accounting set out below and the Non-Profit Organisations Act of South Africa. The 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	Useful life
Leasehold property	20 years
Office equipment	6 years

2.2 Financial instruments

Loan from group entity

This can include loans between holding entities, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan from group entity is classified as a financial liabilities 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.

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 or receivable. Revenue is shown net of returns, rebates and discounts.

KABOUTERLAND EDUCARE CENTRE

(Registration Number 026 - 901- NPO)

Annual Financial Statements for the year ended 31 March 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2021

2020

3. Property, plant and equipment

	Leasehold property	Fixtures and fittings	Office equipment	Total
Reconciliation for the year ended 31 March 2021				
Balance at 1 April 2020				
At cost	425 823	10 500	25 720	462 043
Accumulated depreciation	(158 951)	(10 478)	(25 703)	(195 132)
Net book value	266 872	22	17	266 911
Movements for the year ended 31 March 2021				
Depreciation	(20 529)	-	-	(20 529)
Property, plant and equipment at the end of the year	246 343	22	17	246 382
Closing balance at 31 March 2021				
At cost	425 823	10 500	25 720	462 043
Accumulated depreciation	(179 480)	(10 478)	(25 703)	(215 661)
Net book value	246 343	22	17	246 382
Reconciliation for the year ended 31 March 2020				
Balance at 1 April 2019				
At cost	425 823	10 500	25 720	462 043
Accumulated depreciation	(138 422)	(10 478)	(25 703)	(174 603)
Net book value	287 401	22	17	287 440
Movements for the year ended 31 March 2020				
Depreciation	(20 529)	-	-	(20 529)
Property, plant and equipment at the end of the year	266 872	22	17	266 911
Closing balance at 31 March 2020				
At cost	425 823	10 500	25 720	462 043
Accumulated depreciation	(158 951)	(10 478)	(25 703)	(195 132)
Net book value	266 872	22	17	266 911

4. Cash and cash equivalents

Cash on hand	-	1 222
Balances with banks	9 968	4 624
	9 968	5 846

5. Trade and other payables

Trade creditors	16 900	14 599
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KABOUTERLAND EDUCARE CENTRE

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Annual Financial Statements for the year ended 31 March 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2021

2020

6. Loan from related entity

Sparrows Children Village

119 628

103 160

The loan is unsecured, is run on a current account basis and is interest free. There are no terms of repayment and the loan is repayable at the discretion of the board members.

7. Going concern

The annual 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 board members have given due consideration to the potential impact of the COVID-19 pandemic on the Non-Profit Organisation's ability to continue as a going concern. The board members believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the board members are of the view that the Non-Profit Organisation has sufficient resources to continue as a going concern.