

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)
(COMPANY REGISTRATION NO. 1939/012624/08)
(NONPROFIT ORGANISATION NO. 001-034 NPO)

ANNUAL FINANCIAL STATEMENTS

31 MARCH 2022



**■ REGISTERED ACCOUNTANTS
& AUDITORS ■**

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BOARD OF DIRECTORS

Mdluli A.V. (Chairperson)	Mokoena G.T.
Westcott B.J. (Vice Chairperson)	Niven S.A.F.
van der Colff A.C. (Treasurer)	Ramjettan D.
Brokensha A.	Stimpel C.A.S.
Cara N.	Visser C.M.

NATURE OF BUSINESS	Caring for children
AUDITORS	Axiom Registered Accountants & Auditors
LEVEL OF ASSURANCE	Voluntarily Audited
PREPARER OF FINANCIAL STATEMENTS	Mr Dean Pretorius CA(SA)
BANKERS	First National Bank
COMPANY REGISTRATION NUMBER	1939/012624/08
NONPROFIT ORGANISATION NUMBER	001-034 NPO
REGISTERED AND PHYSICAL ADDRESS	45 URANIA STREET OBSERVATORY GAUTENG 2198
COUNTRY OF INCORPORATION	South Africa

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**THE JOHANNESBURG CHILDREN'S HOME NPC
APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2022**

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DIRECTORS' RESPONSIBILITY

The directors are required in terms of the Companies Act of South Africa, 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report.

It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period that ended, in conformity with International Financial Reporting Standards for small to medium-sized enterprises. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for small to medium-sized enterprises and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company.

While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 financial statements.

However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the period to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent external auditors have audited the annual financial statements and their modified report appears on page 4 and 5.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements are set out on pages 3 to 21, which have been prepared on the going concern basis, were approved by the directors on 17 June 2022 and were signed on their behalf by:



Mdluli A.V. (Chairperson)



van der Colff A.C. (Treasurer)

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

1. OPERATIONS

The Home has been incorporated as a non-profit company under the Companies Act 2008, for the purpose of caring for children.

2. FINANCIAL RESULTS

The results for the year are set out in these financial statements.

3. BOARD OF DIRECTORS

The names of the Board of Directors are given on page 1.

4. EXECUTIVE DIRECTOR

Mrs. A. Brokensha

5. SUBSEQUENT EVENTS

The directors are not aware of any other material reportable event affecting the annual financial statements which occurred after the reporting date and up to the date of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE JOHANNESBURG CHILDREN'S HOME NPC**

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Qualified Opinion

We have audited the financial statements of The Johannesburg Children's Home NPC set out on pages 6 to 20, which comprise the statement of financial position as at 31 March 2022, and statement of comprehensive income and expenditure, statement of changes in equity and statement of cash flows 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 present fairly, in all material respects, the financial position of The Johannesburg Children's Home NPC as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for small to medium-sized enterprises and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

The Johannesburg Children's Home NPC, in common with other charitable organizations, receives certain Income from donations and fundraising, the recognition of which, due to its nature, is not susceptible to verification by generally accepted auditing procedures. Therefore, our examination relating to such income was limited to the amount thereof recorded in the financial records.

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 company 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on page 3 and page 21. 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.



Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for small to medium-sized enterprises and the requirements of the Companies Act of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company 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 directors 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.

Axiom Registered Accountants & Auditors

DEAN MICHAEL DRETORIUS (388497)

PARTNER - AXIOM REGISTERED ACCOUNTANTS & AUDITORS

REGISTERED AUDITOR

17 JUNE 2022

Office No 7 Magic Garden Centre

Corner of Zea- and Johannesburg Road

Arcon Park

Vereeniging

1930

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 R	2021 R
INCOME		10 190 658	10 891 682
Fund raising and donations		3 919 287	5 641 869
Department of Social Development		3 279 096	3 223 074
Income from investments	5	2 125 332	1 298 695
Donations in kind		276 555	180 290
Rental income		3 478	-
Other income		539 183	344 925
Insurance claim		56 100	202 829
Profit on disposal of assets		(8 373)	-
EXPENDITURE		(12 276 822)	(11 169 505)
Children's subsistence		9 353 215	8 259 812
Children's subsistence received in kind		186 554	180 290
Fund raising & promotions		1 750 709	1 781 414
Administration and operational costs		986 344	947 989
FINANCE COST		-	-
NET (DEFICIT) / SURPLUS FOR THE YEAR	6	<u>(2 086 164)</u>	<u>(277 823)</u>
OTHER COMPREHENSIVE INCOME			
Available-for-sale financial assets		2 365 636	2 477 717
Reserves utilised for the year		1 873 128	1 547 847
National Lotteries Commission		1 204 500	-
The Javett Foundation		455 000	450 000
Special Project		213 628	1 097 847
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		<u>4 238 764</u>	<u>4 025 564</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		<u><u>2 152 600</u></u>	<u><u>3 747 741</u></u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 R	2021 R
ASSETS			
Non - current assets		37 129 552	34 419 092
Property and equipment	7	15 306 618	15 059 132
Financial assets	8	21 822 934	19 359 960
Current assets		1 813 133	1 733 957
Trade and other receivables	10	1 341 101	1 246 617
Cash at bank and on hand		472 032	487 340
Total assets		38 942 685	36 153 049
EQUITY & LIABILITIES			
Capital and reserves		36 453 793	34 268 820
Accumulated surplus		32 223 777	32 436 812
Membership fees		2 975	2 975
Reserve - National Lotteries Commission		-	-
Reserve - The Javett Foundation		-	-
Reserve - Special Project		228 782	196 410
Revaluation of investment	8	3 998 259	1 632 623
Current liabilities		2 488 892	1 884 229
Trade and other payables	11	2 488 892	1 884 229
Taxation		-	-
Total equity and liabilities		38 942 685	36 153 049

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Special Project Reserve	The Javett Foundation Reserve	National Lotteries Commission Reserve	Membership fees	Accumulated surplus	Revaluation of investment	Total
	R	R	R	R	R	R	R
Balance at 31 March 2020	157 280	-	-	2 975	31 166 789	(845 094)	30 481 950
Funds applied to reserves	1 136 977	450 000	-	-	-	-	1 586 977
Reserves utilised for the year	(1 097 847)	(450 000)	-	-	1 547 847	-	-
Net surplus/(deficit) for the year	-	-	-	-	(277 823)	2 477 717	2 199 894
Increase in membership	-	-	-	-	-	-	-
Balance at 31 March 2021	196 410	-	-	2 975	32 436 813	1 632 623	34 268 821
Funds applied to reserves	246 000	455 000	1 204 500	-	-	-	1 905 500
Reserves utilised for the year	(213 628)	(455 000)	(1 204 500)	-	1 873 128	-	-
Net surplus/(deficit) for the year	-	-	-	-	(2 086 164)	2 365 636	279 472
Increase in membership	-	-	-	-	-	-	-
Balance at 31 March 2022	228 782	-	-	2 975	32 223 777	3 998 259	36 453 793

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 R	2021 R
CASH FLOWS FROM OPERATING ACTIVITIES		(1 500 393)	62 159
Cash generated / (utilised) from operations	12.1	(3 625 725)	(1 236 536)
Income from Investments		2 125 332	1 298 695
CASH FLOWS FROM INVESTING ACTIVITIES		(420 415)	(2 218 529)
Decrease / (Increase) in financial assets		(97 337)	(924 034)
Net purchase of assets		(323 078)	(1 294 495)
CASH FLOWS FROM FINANCING ACTIVITIES		1 905 500	1 586 977
Increase in Reserve - National Lotteries Commission		1 204 500	-
Increase in Reserve - The Javett Foundation		455 000	450 000
Increase in Reserve - Special Project		246 000	1 136 977
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(15 308)	(569 393)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		487 340	1 056 733
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		472 032	487 340

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 ACCOUNTING POLICIES

The financial statements set out on pages 6 to 20 are prepared on the historical cost basis except for investment property as stated in policy 1.2 and as adjusted by the revaluation of investments as detailed in note 1.6, and incorporate the following principal accounting policies which are consistent with those applied in the previous year. The company's significant accounting policies conform with International Financial Reporting Standards for small to medium-sized enterprises.

The financial statements are prepared on the going concern basis.

1.1 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets

The company classifies its financial assets into the following categories:

- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets; and
- financial assets at fair value through profit and loss.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date.

Financial assets are recognised on transaction date when the company becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights no longer exist.

Financial assets are stated initially on transaction date at fair value including transaction costs.

Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

Financial Liabilities

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost.

Debt is classified as short-term unless the entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)**

1.2 Investment properties

In the opinion of the directors, certain of the land and buildings constitute investment property and are stated at fair value. The property will be valued annually by the directors and every three years by an independent valuator at open market value.

All gains and losses arising from changes in the fair value are recognised in the income statement for the period in which they arise.

The difference between the net proceeds on disposal and the revalued amount of investment property is charged to the income statement. Any balance in the fair value reserve relating to disposed property, is transferred to retained earnings.

1.3 Property and equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Equipment & computers	12,5% - 16,7%
Vehicles	10%
Furniture & fittings	5%

Owner-occupied land is not depreciated, whilst buildings are depreciated on a straight line basis estimated to write each asset down to its residual value over the term of its useful life.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

1.4 Accumulated funds

All income and expenditure of a revenue nature is accounted for in the income statement.

Certain income is received for specific purposes and where such income has not been fully utilised during the year, amounts representing the unutilised portions are transferred to the appropriate funds.

In subsequent years transfers are made from these funds to the income statement as the amounts are utilised. Amounts representing bequests and profits on sales of bequeathed investments are transferred to the bequests fund.

1.5 Provisions

Provisions are recognised where the company has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)**

1.6 Investments

Investments are kept at fair value. Any adjustments to the fair value of the investments are transferred to a non-distributable reserve. Investments are classified as available-for-sale assets.

1.7 Bank balances

Certain uncleared cheques are included in accounts payable.

1.8 Comparatives

Where necessary, comparative figures have been adjusted to take effect of changes in the presentation in the current year.

1.9 Income

Revenue from donations, sponsorships, grants and subscriptions are recognized when cash is received.

The company receives various pro-bono services and donations in kind. Revenue has not been brought to account in the financial statements for services as management are unable to reasonably estimate the value of these donations and services. Revenue has been brought to account in the financial statements for contributed assets, for which the company has an effective need, as management are able to reasonably estimate the fair value of these goods.

Gifts donated for resale are included as income when they are sold.

2 KEY ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Depreciation is influenced by useful life and residual value estimations. Any change in management's estimates of residual values and useful lives would impact the depreciation charge.
- Estimates made in determining the probability of future taxable income, thereby justifying the recognition of deferred tax assets.

3 DEFINITIONS

3.1 Cash and cash equivalents

The cash and cash equivalents amounts disclosed in the cash flow statement comprises cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

3.2 Financial instruments

3.2.1 Financial asset

Cash or cash equivalents, a right to receive cash, an equity instrument or a right to exchange a financial instrument under favourable conditions.

3.2.2 Financial liability

A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

3.2.3 *Available-for-sale financial asset*

A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments. An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.

3.2.4 *Children's subsistence and Children's subsistence received in kind*

Expenses attributable to the welfare of the children under the care of the company.

3.2.5 *Fund raising & promotions*

Expenses attributable to the raising of funds for the welfare of the children under the care of the company.

3.2.6 *Administration and operational costs*

Expenses not directly attributable to children's subsistence or fund raising & promotions.

	2022	2021
	R	R
4 OPERATING LEASES		
Commitment in next twelve months:		
- Buildings	4 500	54 000
- Managed IT Services thereafter	85 104	
- Buildings	-	-
- Managed IT Services	7 092	-
Total	<u>96 696</u>	<u>54 000</u>
5 INCOME FROM INVESTMENTS		
Dividends - listed shares	587 800	619 624
Interest	648 593	407 411
Profit / (loss) on sale of shares	888 939	271 660
	<u>2 125 332</u>	<u>1 298 695</u>
6 NET (DEFICIT) / SURPLUS FOR THE YEAR		
Net (deficit) / surplus for the year includes:		
Audit fees	58 220	50 320
- Prior year	46 700	43 000
- Other services	11 520	7 320
CIPC annual duty	2 000	2 500
Executive Director's Remuneration - Salary	1 062 324	1 020 598
Depreciation	67 219	69 618
Staff Costs		
- Salaries and wages (including executive director)	7 560 833	6 957 128
- Contributions to retirement funds	348 642	345 923
- Average number of employees employed during the year	53	50

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

7 PROPERTY, PLANT & EQUIPMENT

2022	Special Building Project	Land & Buildings	Fencing	Motor Vehicles	Furniture, Computers & Equip	Total
	R	R	R	R	R	R
Beginning of year						
Assets at cost	2 217 273	12 199 213	233 375	1 362 184	984 506	16 996 551
Accumulated depreciation	-	-	-	(1 182 200)	(755 218)	(1 937 418)
Net book value	2 217 273	12 199 213	233 375	179 984	229 288	15 059 133
Current year movements						
Additions	213 628	-	-	-	123 149	336 777
Disposal	-	-	-	-	(25 879)	(25 879)
Depreciation - current charge	-	-	-	(31 064)	(36 155)	(67 219)
Acc depreciation on disposal	-	-	-	-	3 806	3 806
Balance at end of year	2 430 901	12 199 213	233 375	148 920	294 209	15 306 618
Made up as follows:						
Assets at cost	2 430 901	12 199 213	233 375	1 362 184	1 081 776	17 307 449
Accumulated depreciation	-	-	-	(1 213 264)	(787 567)	(2 000 831)
Net book value	2 430 901	12 199 213	233 375	148 920	294 209	15 306 618

Land, being Erf 746 Observatory , Johannesburg with Children`s Home and ancillary buildings thereon, purchased in 1940 and 1985.

Fair value of Land and Buildings is estimated by the directors (municipal valuation) at R29 000 000. (31 659 SQM)

2021	Special Building Project	Land & Buildings	Fencing	Motor Vehicles	Furniture, Computers & Equip	Total
	R	R	R	R	R	R
Beginning of year						
Assets at cost	1 002 721	12 199 213	233 375	1 362 184	976 545	15 774 038
Accumulated depreciation	-	-	-	(1 143 280)	(796 503)	(1 939 783)
Net book value	1 002 721	12 199 213	233 375	218 904	180 042	13 834 255
Current year movements						
Additions	1 214 552	-	-	-	79 944	1 294 496
Disposal	-	-	-	-	(71 983)	(71 983)
Depreciation - current charge	-	-	-	(38 920)	(30 698)	(69 618)
Acc depreciation on disposal	-	-	-	-	71 983	71 983
Balance at end of year	2 217 273	12 199 213	233 375	179 984	229 288	15 059 133
Made up as follows:						
Assets at cost	2 217 273	12 199 213	233 375	1 362 184	984 506	16 996 551
Accumulated depreciation	-	-	-	(1 182 200)	(755 218)	(1 937 418)
Net book value	2 217 273	12 199 213	233 375	179 984	229 288	15 059 133

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Fair value of Land and Buildings is estimated by the directors (municipal valuation) at R29 000 000. (31 659 SQM)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

8 FINANCIAL ASSETS

	2022	2021
	R	R
Financial assets	<u>21 822 933</u>	<u>19 359 960</u>
<i>Nedbank Private Wealth Managed Portfolio Account 1</i>		
Opening balance	18 635 592	15 027 062
Interest received	468 422	357 338
Dividends received	648 593	619 624
Trustees fees (VAT incl)	(126 433)	(120 163)
Other	-	-
Capital (redeemed) / invested	(550 000)	-
Capital transfers between portfolio's	(625 000)	-
Profit on sale of shares	993 902	271 831
Adjust to fair value - prior year reversal	(1 630 547)	849 353
Adjust to fair value - current year	3 998 257	1 630 547
	<u>21 812 786</u>	<u>18 635 592</u>
<i>Nedbank Private Wealth Managed Portfolio Account 2</i>		
Opening balance	724 369	931 146
Interest received	17 099	50 074
Dividends received	-	-
Trustees fees (VAT incl)	(1 562)	(4 499)
Capital (redeemed) / invested	(1 350 000)	(250 000)
Capital transfers between portfolio's	625 000	-
Profit / (loss) on sale of investments	(2 685)	(171)
Adjust to fair value - prior year reversal	(2 076)	(4 258)
Adjust to fair value - current year	2	2 076
	<u>10 147</u>	<u>724 368</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

9 TAXATION

Taxation has not been provided for as the Home is exempt under Section 10 (1) (cN) of the Income Tax Act.

10 TRADE & OTHER RECEIVABLES

	2022	2021
	R	R
SARS - Vat	421 283	210 993
Other debtors	32 968	3 813
Prepaid expenditure - Water and electricity	832 331	982 692
Deposits	54 519	49 119
	<u>1 341 101</u>	<u>1 246 617</u>

Provision for doubtful debts amounting to R161 811 (2021 : R123 613) has been made.

Maturity profile

Within one year	512 310	366 948
Within one to two years	37 858	31 418
More than two years	790 933	848 251
	<u>1 341 101</u>	<u>1 246 617</u>

Fair value of trade and other receivables

The carrying value approximates the fair value because of the short period to maturity of these instruments.

Collateral

The company holds no collateral over trade and other receivables.

11 TRADE AND OTHER PAYABLES

Deposits	-	-
Provision for leave pay	280 642	266 394
Other payables	2 089 060	1 617 834
	<u>2 369 702</u>	<u>1 884 228</u>

Maturity profile

Within one year	483 771	514 312
One to two years	1 885 930	1 369 917
	<u>2 369 702</u>	<u>1 884 228</u>

Fair value of trade & other payables

The carrying value approximates the fair value because of the short period to settlement of these obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022 (Continued)

12 NOTES TO THE STATEMENT OF CASH FLOWS

12.1 Reconciliation of cash utilised in operations

	2022	2021
	R	R
Operating (deficit) / surplus	(2 086 164)	(277 823)
Adjusted for:		
Depreciation	67 219	69 617
Profit on sale of assets	8 373	-
Income from investments	(2 125 332)	(1 298 695)
	<hr/>	<hr/>
Operating deficit before working capital changes	(4 135 904)	(1 506 901)
Working capital changes:		
(Increase) / decrease in debtors	(94 484)	(147 931)
Increase / (decrease) in creditors	604 663	418 296
	<hr/>	<hr/>
Cash utilised in operations	<u>(3 625 725)</u>	<u>(1 236 536)</u>

13 RETIREMENT BENEFIT INFORMATION.

The association continues to contribute to the Momentum Fundsatwork Umbrella provident fund.

The association contributions to the provident fund on behalf of the members, at a fixed percentage of the employee's remuneration at any point in time.

Total contributions to fund	<hr/> <u>697 284</u>	<hr/> <u>691 845</u>
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14 CONTINGENT LIABILITY

A contingency for municipal costs has been identified by the directors.

This contingency is estimated at R1 451 431 (2021 : R248 861) The timing of the outflow of funds is uncertain as it is dependant on communications from the provider.

15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Introduction

The association is exposed to liquidity, credit and commodity price risk arising from its financial instruments. The Directors and Management have the overall responsibility for the establishment and oversight of the association's risk management framework. The Directors and Management established comprehensive risk management processes which would provide assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. The Directors and Management meet regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks.

Risk profile

Risk management and measurement relating to each of these risks are discussed under the headings below.

15.1 Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its obligations as they become due. The association manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The association finances its operations through adequate banking facilities and reserve capital deposits held with reputable banking institutions. There are no severe restrictions on these banking facilities and capital deposits. The association has sufficient undrawn deposits which could be utilised to settle obligations.

(Incorporated Association not for gain)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2022 (Continued)

	Note	Total Cash Flows	Within one year	One to two years	More than two years
		R	R	R	R
2022					
Financial Assets					
Loans and Receivables		1 823 280	994 489	37 858	-
SARS - Vat	10	421 283	421 283	-	-
Other debtors	10	32 968	32 968	-	-
Prepaid expenditure	10	832 331	58 059	37 858	736 414
Deposits	10	54 519	-	-	54 519
Call Monies	8	10 147	10 147	-	-
Cash at Bank		472 032	472 032	-	-
Investments available-for-sale	8	21 812 786	21 812 786	-	-
Total		23 636 066	22 807 275	37 858	-
Financial Liabilities					
Non-derivative instruments		1 884 228	514 311	1 369 917	-
Deposits	11	-	-	-	-
Provision for leave pay	11	266 394	266 394	-	-
Other Payables	11	1 617 834	247 917	1 369 917	-
Total		1 884 228	514 311	1 369 917	-
		Total Cash	Within one	One to two	More than
		Flows	year	years	two years
		R	R	R	R
2021					
Financial Assets					
Loans and Receivables		2 458 325	1 578 656	879 669	-
SARS - Vat	10	210 993	210 993	-	-
Other debtors	10	3 813	3 813	-	-
Prepaid expenditure	10	982 692	152 142	830 550	-
Deposits	10	49 119	-	49 119	-
Call Monies	8	724 368	724 368	-	-
Cash at Bank		487 340	487 340	-	-
Investments available-for-sale	8	18 635 592	18 635 592	-	-
Total		21 093 917	20 214 248	879 669	-
Financial Liabilities					
Non-derivative instruments		1 884 228	514 311	1 369 917	-
Deposits	11	-	-	-	-
Provision for leave pay	11	266 394	266 394	-	-
Other Payables	11	1 617 834	247 917	1 369 917	-
Total		1 884 228	514 311	1 369 917	-

15.2 Credit Risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by monitoring procedures.

Trade and other receivables consist mainly of accrued income in the form of grants. The association does not have customers who might owe monies.

Credit Risk exposure in respect of trade receivables is further analysed in note 10.

The carrying value of the investments available-for-sale, loans and receivables and derivative financial instrument financial assets represent the maximum credit risk exposure.

15.3 Investment Return Risk

Exposure to risk on financial assets, investments available-for-sale and liabilities is monitored on a continuous and proactive basis. A limited discretionary mandate has been given to the investment manager of the Nedbank Private Wealth Managed Portfolio whereby investment decisions will be confirmed by the association's Board.

At the reporting date, the interest rate profile of the company's interest bearing financial instruments were:

	2022	2021
	R	R
At the reporting date, the association was exposed to market influences on listed equities valued at	<u>21 812 786</u>	<u>18 635 592</u>
At the reporting date, the association was exposed to interest rate influences on deposited funds of	<u>10 147</u>	<u>724 368</u>

**DETAILED EXPENSES SCHEDULE
FOR THE YEAR ENDED 31 MARCH 2022**

Childrens Subsistence	2022 R	2021 R
Food	1 261 439	1 102 142
Personal care	556 954	524 453
Residential care	2 354 779	2 391 987
Depreciation - transport assets	31 064	38 920
Education	637 295	304 343
Transport	674 459	546 376
Insurance	134 783	160 304
Utilities	870 854	668 988
Repairs & maintenance	747 522	598 911
Security	333 512	347 818
Telecommunications	24 053	30 023
Development & recreation	10 957	4 924
Staff development	19 016	11 550
Therapeutic support	1 883 082	1 709 363
	<u>9 539 769</u>	<u>8 440 102</u>