
Child Welfare South Africa - Port Shepstone
(Registration number NPO No.: 002-209)
Financial statements
for the year ended 31 March 2023

Child Welfare South Africa - Port Shepstone

Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Management Committee	Cindy Marais (Chairperson) Charl Van Biljon (Vice Chairperson) Basil Naidoo (Secretary) Ravi Lautan (Treasurer) Jaco Van Biljon (Human Resources) Kenny Naidoo (Member) Angelique Janse Van Rensburg (Member) Zain Gouws (Co-opted member)
Business address	23 Connor Street Port Shepstone 4240
Postal address	P. O. Box 58 Port Shepstone 4240
Auditor	Anil Ramnath & Co. Chartered Accountant (S.A.) Registered Auditor
Public Benefit Organisation Number	PBO No: 930027615
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Published	30 May 2023

Child Welfare South Africa - Port Shepstone


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The reports and statements set out below comprise the financial statements presented to the management committee:

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The financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the management committee on 30 May 2023 and were signed on its behalf by:



Cindy Marais (Chairperson)



Ravi Loutan (Treasurer)

Independent Auditor's Report

To the management committee of Child Welfare South Africa - Port Shepstone

Opinion

I have audited the financial statements of Child Welfare South Africa - Port Shepstone (the organisation), which comprise the statement of financial position as at 31 March 2023, and the detailed statement of income and retained earnings and statement of cash flows for the year then ended, and the notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements of the organisation are prepared and fairly represents, in all material respects, the financial position of Child Welfare South Africa - Port Shepstone as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organisation in accordance with the ethical requirements that are relevant to my audit of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the management committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 organisation's internal control.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 organisation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



A. Ramnath CA(SA)
Registered Auditor

Practice No: 931136
IRBA Registration No: 185760
Tel: 039 682 3383
Port Shepstone
23 May 2023

Child Welfare South Africa - Port Shepstone

Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Investment property	2	1 379 000	1 379 000
Property, plant and equipment	3	69 665	88 336
		1 448 665	1 467 336
Current Assets			
Trade and other receivables	4	15 954	26 283
Cash and cash equivalents	5	278 087	490 197
		294 041	516 480
Total Assets		1 742 706	1 983 816
Equity and Liabilities			
Equity			
Retained income		1 705 384	1 956 204
Liabilities			
Current Liabilities			
Trade and other payables	6	28 812	19 102
Amounts held in trust	7	8 510	8 510
		37 322	27 612
Total Equity and Liabilities		1 742 706	1 983 816

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Detailed Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2023	2022
Revenue			
Subsidy - KwaZulu Natal		1 257 362	1 297 019
Community Chest		181 800	159 480
Barry, Botha & Breytenbach Inc.		66 442	-
Donations		36 350	162 605
Adoption fees		8 270	16 605
FAMSA - administration fees		5 500	3 500
Fundraising		2 413	10 241
Membership		1 000	-
Box collections		869	320
Given gain		-	3 416
Membership		-	800
Sale - miscellaneous		-	348
		1 560 006	1 654 334
Other income			
Rent		174 060	147 626
Insurance claim		61 000	-
Interest received	8	15 221	10 405
Sundry income		-	445
		250 281	158 476

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Statement of Income and Retained Earnings

Figures in Rand	Note(s)	2023	2022
Operating expenses			
AGM		501	1 106
Advertising		2 212	250
Auditor's remuneration		14 412	13 101
Awareness - Child protection week		-	740
Awareness - Community projects		-	273
Bank charges		5 447	8 961
Capacity building staff		390	140
Cleaning		1 545	1 300
Computer expenses		5 599	4 080
Depreciation	3	18 671	23 968
Electricity and water		82 716	50 385
Fines		3 192	-
Fundraising expenses		7 142	142
Gratuity		-	70
Insurance		86 363	71 716
Internet		2 399	4 983
Motor vehicle expenses		162 025	67 578
Office expenses		5 456	8 779
Oslo Beach	11	69 736	41 481
Postage and courier		-	161
Printing and stationery		14 491	11 586
Professional fees		5 262	10 176
Programs		2 057	717
Rent		7 442	7 268
Repairs and maintenance		285	1 509
Salaries and wages	10	1 420 177	1 480 727
Security		25 215	970
Social relief		17 597	88 675
Staff welfare		5 278	3 470
Subscriptions		22 623	21 626
Telephone and fax		71 148	60 880
Travel and entertainment		243	323
Workmen's Compensation Assurance		1 208	-
		2 060 832	1 987 141
Operating loss		(250 545)	(174 331)
Finance costs	9	(275)	(104)
Loss for the year		(250 820)	(174 435)
Other comprehensive income		-	-
Total comprehensive loss for the year		(250 820)	(174 435)
Retained income at the beginning of the year		1 956 204	2 130 639
Retained income at the end of the year		1 705 384	1 956 204

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Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from customers		1 805 395	1 794 674
Cash paid to suppliers and employees		(2 032 451)	(1 955 981)
Cash used in operations	12	(227 056)	(161 307)
Interest income		15 221	10 405
Finance costs		(275)	(104)
Net cash from operating activities		(212 110)	(151 006)
Total cash movement for the year			
Total cash movement for the year		(212 110)	(151 006)
Cash at the beginning of the year		490 197	641 203
Total cash at end of the year	5	278 087	490 197

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Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, except for investment property which is disclosed at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous year.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the financial statements.

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. In addition, only investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is included in investment property. All other investment property is included in property, plant and equipment.

Investment property is initially recognised at cost.

1.3 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which are as follows:

Item	Average useful life
Motor vehicles	5 years
Furniture and equipment	6 years
Computer equipment	3 years
Garden and outdoor equipment	6 years

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities

Financial liabilities are recognised at cost less principal payments, and are subsequently measured at fair value.

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Financial Statements for the year ended 31 March 2023

Accounting Policies

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Provisions and contingencies

Provisions are recognised when:

- the organisation has an obligation at the reporting date as a result of a past event;
- it is probable that the organisation will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.7 Revenue

All revenue is recognised as income when received. Interest is recognised as in the income statement when received.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand 2023 2022

2. Investment property

Described as Erf 55 and Erf 56, situated at 21 and 23 Hillside Crescent, Oslo Beach, situated in the Ugu District Municipality. These properties are valued at R1 379 000 by the Hibiscus Coast Municipality and by an independent estate agent.

- Lot 55, Oslo Beach	375 000	375 000
- Lot 56, Oslo Beach	70 000	70 000
- Surplus on revaluation	934 000	934 000
	1 379 000	1 379 000

3. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	1 231 435	(1 166 797)	64 638	1 231 435	(1 150 638)	80 797
Furniture and equipment	432 500	(432 499)	1	432 500	(432 499)	1
Computer equipment	334 215	(329 190)	5 025	334 215	(326 678)	7 537
Garden and outdoor equipment	20 050	(20 049)	1	20 050	(20 049)	1
Total	2 018 200	(1 948 535)	69 665	2 018 200	(1 929 864)	88 336

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Total
Motor vehicles	80 797	(16 159)	64 638
Furniture and equipment	1	-	1
Computer equipment	7 537	(2 512)	5 025
Garden and outdoor equipment	1	-	1
	88 336	(18 671)	69 665

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Total
Motor vehicles	100 996	(20 199)	80 797
Furniture and equipment	1	-	1
Computer equipment	11 305	(3 768)	7 537
Garden and outdoor equipment	1	-	1
	112 303	(23 967)	88 336

4. Trade and other receivables

Trade receivables	-	8 950
Deposits	13 712	13 712
Vat	2 242	3 621
	15 954	26 283

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	390	2 444
Bank balances	69 703	54 979
Short-term deposits	207 994	432 774
	278 087	490 197

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Notes to the Financial Statements

Figures in Rand	2023	2022
6. Trade and other payables		
Audit fees	14 412	13 102
Deposits received	6 000	6 000
Staff loans	8 400	-
	28 812	19 102
7. Amounts held in Trust		
Chiliza Trust	3 470	3 470
Enzama Trust	1 230	1 230
Mzindle Trust	50	50
Ukuzwana Community Garden	1 295	1 295
Osindisweni Creche	2 465	2 465
	8 510	8 510
8. Investment revenue		
Interest revenue		
Bank	15 221	10 405
9. Finance costs		
Bank	275	-
10. Salaries and wages		
Salaries and wages	1 236 706	1 237 487
PAYE	78 077	93 464
UIF	27 734	26 887
Provident fund	55 761	88 088
Stipends - volunteers	10 700	21 213
SDL	11 199	13 588
	1 420 177	1 480 727
11. Oslo Beach		
Electricity	-	25 927
Rates	14 513	14 804
Repairs and maintenance	40 367	-
Security	2 828	750
Water	12 028	-
	69 736	41 481
12. Cash used in operations		
Deficit	(250 820)	(174 435)
Adjustments for:		
Depreciation	18 671	23 968
Interest received	(15 221)	(10 405)
Finance costs	275	104
Changes in working capital:		
Trade and other receivables	10 329	(7 731)
Trade and other payables	9 710	7 192
	(227 056)	(161 307)

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand	2023	2022
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13. Taxation

The organisation is a Public Benefit Organisation in terms of section 30 of the Income Tax Act and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

14. Contingencies

There are no contingent assets or contingent liabilities.

15. Related parties

Child Welfare South Africa

Child Welfare South Africa - Port Shepstone is an affiliate of Child Welfare South Africa.

16. Events after the reporting period

No material events have occurred subsequent to the balance sheet date.