

**THABANG CHILDRENS HOME TRUST**

**FINANCIAL STATEMENTS AS AT**

**31 MARCH 2019**

**THABANG CHILDRENS HOME TRUST**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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The annual financial statements set out on pages 2 to 11 were approved by the Trustees on ..... and are signed on its behalf by:

\_\_\_\_\_  
TRUSTEE

\_\_\_\_\_  
TRUSTEE



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## **Report of the Independent Auditors**

### **Report on the Financial Statements**

We have audited the financial statements of Thabang Children's Home Trust, which comprise the balance sheet as at 31 March 2019, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the director's report, as set out on pages 4 - 11.

### **Trustee's Responsibility for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statement of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position the trust as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with the South African Statement of Generally Accepted Accounting Practice.

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**JORDAAN PRINSLOO & DAVEL**  
Registered Auditors

20 August 2019

**REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

The board of trustees presents their annual report, which forms part of the annual financial statements of the organization for the year ended 31 March 2019.

**General Review**

The trust was registered as a non-profit organization and exempted from taxes and duties in terms of section 18 A of the Income Tax Act as from 10 March 2005.

**Nature of business**

The trust operates numerous projects which can be summarized as follows:

- Thabang Place of Safety provides a safe home for needy children without being an institution. The house is a temporary residence, aiming to re-integrate the children into their communities.
- Thabang Home Based Care educates parents and caretakers and provides psychological, medical and physical help when needed to build functioning family structures.
- Thabang Juvenile Centre offers young delinquents a stable environment away from prison. The centre is run in coordination with the local authorities.
- It operates a home for AIDS and HIV infected children and provides fostering to orphaned children.
- It accommodates and/or pays school/crèche fees for orphans and children needing assistance.

**Financial Results**

Full details of the financial results are set out on pages 4 to 11 and require no further comment.

No major events have occurred between the accounting date and the date of this report.

**Board of Trustees:**

**Date appointed:**

**Date Resigned:**

|                                     |                   |  |
|-------------------------------------|-------------------|--|
| Carel Frederik Pieter Jordaan       | 21 September 2004 |  |
| Pamela Ann Trollope                 | 28 February 2006  |  |
| Tessa Molly White                   | 28 April 2016     |  |
| Onkgopotse Christian Moffat Gaitate | 28 April 2016     |  |

**Secretary**

The secretary for the year under review was Tessa Molly White whose postal address is as follows:

P.O. Box 642  
**THABAZIMBI**  
0380

**Accounting Officer**

Jordaan Prinsloo and Davel was appointed accounting officer in accordance with section 17 (3) of the non-profit Organizations Act No 71 of 1997.

**THABANG CHILDRENS HOME TRUST****BALANCE SHEET AS AT 31 MARCH 2019**

|                                     | <i>Notes</i> | <b>2019</b> | <b>2018</b> |
|-------------------------------------|--------------|-------------|-------------|
| <b>ASSETS</b>                       |              |             |             |
| <b>NON-CURRENT ASSETS</b>           |              |             |             |
| Property, plant and equipment       | 3            | 3 077 536   | 3 318 353   |
| <b>CURRENT ASSETS</b>               |              |             |             |
| Deposits                            | 4            | 26 358      | 26 358      |
| Debtors                             |              | 20 904      | 81 714      |
| Cash and cash equivalents           | 5            | 3 010 974   | 2 104 275   |
| <b>TOTAL ASSETS</b>                 |              | 6 135 772   | 5 530 700   |
| <b>EQUITY AND LIABILITIES</b>       |              |             |             |
| <b>CAPITAL AND RESERVES</b>         |              |             |             |
| Trust capital account               | 6            | 5 807 846   | 5 217 188   |
| <b>NON-CURRENT LIABILITIES</b>      |              |             |             |
| Loan - EKW Mauss                    |              | 300 000     | 300 000     |
| <b>CURRENT LIABILITIES</b>          |              |             |             |
| Accounts payable                    |              | 12 086      | 13 512      |
| Deposit received                    |              | 15 840      | -           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |              | 6 135 772   | 5 530 700   |

**THABANG CHILDRENS HOME TRUST****INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

|                                       | <b>2019</b>        | <b>2018</b>        |
|---------------------------------------|--------------------|--------------------|
| REVENUE                               | 3 835 480          | 6 414 831          |
| ADMINISTRATIVE AND OPERATING EXPENSES | <u>(3 244 822)</u> | <u>(3 320 591)</u> |
| SURPLUS / (DEFICIT) FOR THE YEAR      | <u>590 658</u>     | <u>3 094 240</u>   |

**THABANG CHILDRENS HOME TRUST****STATEMENT OF CHANGES IN TRUST FUND FOR THE YEAR ENDED 31 MARCH 2019**

|                                | <i>Accumulated<br/>funds</i> |
|--------------------------------|------------------------------|
| Balance 1 April 2017           | 2 122 948                    |
| Surplus for the year           | <u>3 094 240</u>             |
| Balance 31 March 2018          | 5 217 188                    |
| Profit Sale of Assets          | -                            |
| Surplus/(Deficit) for the year | <u>590 658</u>               |
| Balance 31 March 2019          | <u><u>5 807 846</u></u>      |

**THABANG CHILDRENS HOME TRUST****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

|   | <i>Notes</i> | <b>2019</b> | <b>2018</b> |
|---|--------------|-------------|-------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  | 7            | 874 362     | 2 048 152   |
| Cash received from donors                                   |              | 3 835 480   | 6 414 831   |
| Cash paid to suppliers and employees                        |              | (2 961 118) | (4 366 679) |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |              | (89 283)    | (2 028 716) |
| Fixed assets (purchased)/Sold                               |              | (89 283)    | (2 478 716) |
| Increase in deposits paid (Profit Sale of land)             |              | -           | 450 000     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |              | -           | -           |
| Long-term liabilities                                       |              | -           | -           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> |              | 785 079     | 19 436      |
| <b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>          |              | 2 104 275   | 2 084 839   |
| <b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>          |              | 2 889 354   | 2 104 275   |



**THABANG CHILDRENS HOME TRUST****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****1. ACCOUNTING POLICIES**

The annual financial statements are prepared in accordance with the historical cost convention and incorporate the following principal accounting policies:

**1.1 FIXED ASSETS AND DEPRECIATION**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is written off at the following rates:

|                   |        |
|-------------------|--------|
| Medical equipment | 20% pa |
| Motor vehicles    | 20% pa |
| Computers         | 33% pa |
| Buildings         | 5% pa  |

**1.2 CASH AND CASH EQUIVALENTS**

For the purpose of the cash flow statement, cash and cash equivalents comprise of bank balances and cash, including bank overdrafts.

**1.3 FINANCIAL INSTRUMENTS**

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts receivable and accounts payable. The particular recognition methods adopted are disclosed elsewhere in the financial statements.

**1.4 REVENUE RECOGNITION**

Donations are recognised when deposited into the bank account. Other revenue earned by the trust is recognised on the following basis:

- Interest income: as it accrues, unless collectability is in doubt

**2. REVENUE**

Revenue comprises donations received by the organisation

|                                     | <b>2019</b>      | <b>2018</b>      |
|-------------------------------------|------------------|------------------|
| <b>3. FIXED ASSETS</b>              |                  |                  |
| See page 11.                        |                  |                  |
| <b>4. DEPOSITS</b>                  |                  |                  |
| Eskom                               | 24 258           | 24 258           |
| Telkom                              | 2 100            | 2 100            |
| Kransberg Petroleum                 | -                | -                |
|                                     | <u>26 358</u>    | <u>26 358</u>    |
| <b>5. CASH AND CASH EQUIVALENTS</b> |                  |                  |
| Bank balances and cash              | <u>3 010 974</u> | <u>2 104 275</u> |

**THABANG CHILDRENS HOME TRUST****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

|   | <b>2019</b>             | <b>2018</b>             |
|---|-------------------------|-------------------------|
| <b>6. TRUST CAPITAL ACCOUNT</b>   |                         |                         |
| Opening balance   | 5 217 188               | 1 672 948               |
| Profit Sale of land   | -                       | 450 000                 |
| Surplus / (Deficit) for the year  | <u>590 658</u>          | <u>3 094 240</u>        |
| Closing balance   | <u><u>5 807 846</u></u> | <u><u>5 217 188</u></u> |
| <b>7. RECONCILIATION OF NET PROFIT TO CASH GENERATED FROM OPERATIONS</b>  |                         |                         |
| Surplus / (Deficit)   | 590 658                 | 3 094 240               |
| Depreciation  | <u>330 100</u>          | <u>236 130</u>          |
| Surplus / (Deficit) before working capital changes                        | 920 758                 | 3 330 370               |
| Working capital changes   |                         |                         |
| (Increase) / Decrease in accounts receivable                              | (60 810)                | (81 714)                |
| Increase / (Decrease) in accounts payable                                 | <u>14 414</u>           | <u>(1 200 504)</u>      |
|   | <u><u>874 362</u></u>   | <u><u>2 048 152</u></u> |
| <b>8. ADMINISTRATION EXPENDITURE</b>                                      |                         |                         |
| The admin expenditure of the trust consists 10% of the total expenditure. |                         |                         |

**THABANG CHILDRENS HOME TRUST****DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

|                                  | <i>TOTAL</i><br><i>2019</i> | <i>TOTAL</i><br><i>2018</i> |
|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOME</b>                    |                             |                             |
| Donations and Subsidies Received | 3 835 480                   | 6 118 435                   |
| Sundry income                    | -                           | 71 396                      |
| Interest Received                | -                           | -                           |
| Profit sale of asset             | -                           | 225 000                     |
| <b>TOTAL INCOME</b>              | <b>3 835 480</b>            | <b>6 414 831</b>            |
| <b>EXPENSES</b>                  |                             |                             |
| Establishment cost:              |                             |                             |
| Accounting Fees                  | 79 081                      | 66 999                      |
| Auditing fees                    | 9 322                       | 14 158                      |
| Advertising                      | 1 594                       | 321                         |
| Bank charges                     | 15 923                      | 15 698                      |
| Cleaning                         | -                           | 70                          |
| Computer Expenses                | 12 529                      | 17 295                      |
| Depreciation                     | 330 100                     | 236 130                     |
| Electricity & Water              | 87 740                      | 110 868                     |
| Food & Clothing                  | 141 329                     | 143 915                     |
| Gardening & Tools                | 4 236                       | 4 067                       |
| Household Utilities              | 24 608                      | 22 915                      |
| Indirect fund raising expenses   | 15 625                      | 203                         |
| Insurance                        | 106 297                     | 85 769                      |
| Legal expenses                   | -                           | 793                         |
| Licenses                         | 4 287                       | 5 221                       |
| Medication                       | 1 496                       | 13 446                      |
| Postage                          | 268                         |                             |
| Rent Paid                        | -                           | 6 440                       |
| Repairs & Maintenance            | 46 433                      | 8 564                       |
| School clothes & stationary      | 14 946                      | 8 533                       |
| Security                         | -                           | 61                          |
| Special project expenses         | 52 365                      | 89 200                      |
| Social & support expenses        | 146 203                     | 161 789                     |
| Stationary & printing            | 3 711                       | 10 145                      |
| Subscriptions                    | 10 790                      | 5 632                       |
| Training                         | -                           | 9 089                       |
| Travelling                       | 8 009                       | 3 077                       |
| Communication cost:              |                             |                             |
| Cell phones                      | 38 428                      | 50 683                      |
| Telkom                           | -                           | -                           |
| Staff expenses:                  |                             |                             |
| Casual workers                   |                             |                             |
| PAYE                             | 127 126                     | 127 008                     |
| Project managers                 | 503 039                     | 522 953                     |
| Salaries                         | 1 273 038                   | 1 364 835                   |
| UIF                              | 33 788                      | 35 394                      |
| Uniforms                         | -                           | 3 253                       |
| Compensation Commissioner        | 6 340                       | -                           |
| Vehicle expenses:                |                             |                             |
| Fuel                             | 136 349                     | 123 459                     |
| Repairs                          | 8 597                       | 40 238                      |
| Tyres                            | 1 225                       | 12 370                      |
| <b>TOTAL EXPENSES</b>            | <b>3 244 822</b>            | <b>3 320 591</b>            |
| <b>NET SURPLUS / (DEFICIT)</b>   | <b>590 658</b>              | <b>3 094 240</b>            |

THABANG CHILDRENS HOME TRUST

STATEMENT OF FIXED ASSETS AND DEPRECIATION AS AT 31 MARCH 2019

|                              | TRAILER<br>HOME | COMPUTER<br>EQUIPMENT | MOTOR<br>VEHICLES    | FURNITURE<br>& FITTINGS | BUILDINGS              | LAND - PORTION 22<br>OF THE FARM<br>ROODEDAM 368 | TOTAL                  |
|------------------------------|-----------------|-----------------------|----------------------|-------------------------|------------------------|--|------------------------|
| Balance 1 April 2017         | 1               | 9 418                 | 23 377               | 25 848                  | 267 123                | 750 000  | 1 075 767              |
| Additions                    | -               | -                     | 660 058              | 10 000                  | 2 558 658              | (750 000)  | 2 478 716              |
| Depreciation                 | 1               | 9 418<br>(4 708)      | 683 435<br>(23 376)  | 35 848<br>(20 922)      | 2 825 781<br>(187 124) | -  | 3 554 483<br>(236 130) |
| <b>BALANCE 31 MARCH 2018</b> | 1               | 4 710                 | 660 059              | 14 926                  | 2 638 657              | -  | 3 318 353              |
| Balance 1 April 2018         | 1               | 4 710                 | 660 059              | 14 926                  | 2 638 657              | -  | 3 318 353              |
| Additions                    | -               | 19 189                | -                    | -                       | 70 094                 | -  | 89 283                 |
| Depreciation                 | 1               | 23 899<br>(10 993)    | 660 059<br>(160 413) | 14 926<br>(10 940)      | 2 708 751<br>(147 754) | -  | 3 407 636<br>(330 100) |
| <b>BALANCE 31 MARCH 2019</b> | 1               | 12 906                | 499 646              | 3 986                   | 2 560 997              | -  | 3 077 536              |