

WESTLAKE UNITED CHURCH TRUST
(REGISTRATION NUMBER IT 409/2002)
Annual financial statements
for the year ended 31 December 2008

WESTLAKE UNITED CHURCH TRUST
(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2008

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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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RSM Betty & Dickson

REPORT OF THE INDEPENDENT AUDITORS

To the Trustees of Westlake United Church Trust

We have audited the accompanying financial statements of the Westlake United Church Trust which have been prepared on the cash receipts and disbursements for the year ended 31 December 2008. This statement is the responsibility of the Westlake United Church Trust's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Trust's policy is to prepare the accompanying financial statements on the cash receipts and disbursements basis. On this basis revenue is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

In common with similar entities it has not been feasible for the entity to institute accounting controls over receipts prior to initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination for grants, donations and all other income and receipts beyond the amounts actually recorded.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the accompanying financial statements presents fairly, in all material respects the revenue collected and expenses paid by the Trust during the year ended 31 December 2008 in accordance with the cash receipts and disbursements basis as described in Note 1.

Greenwich Grove
RONDEBOSCH
7700



RSM Betty & Dickson (Cape Town)
Chartered Accountants (SA)
Registered Auditors

23 JUNE 2009
Date

Chartered Accountants (SA)

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustees are in addition to their responsibilities in terms of the Trust Deed, responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements.

The trustees are also responsible for the trust's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 4 to 10 were approved by the board of trustees and signed on their behalf by:



Trustee

23 June 2009
Date



Trustee

23 June 2009
Date

WESTLAKE UNITED CHURCH TRUST
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BALANCE SHEET

Figures in Rand	Notes	2008	2007
ASSETS			
NON-CURRENT ASSETS			
Property	2	2 187 526	49 824
CURRENT ASSETS			
VAT receivable		47 917	54 699
Cash and cash equivalents	8	449 063	1 563 156
		496 980	1 617 855
Total Assets		2 684 506	1 667 679
EQUITY AND LIABILITIES			
EQUITY			
Non distributable building fund reserve	3	2 137 702	-
Special funds	7	423 930	1 445 875
Retained surplus		73 687	181 447
		2 635 319	1 627 322
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		45 587	35 857
Provisions-audit fees for the Department of Health (Western Cape)		3 600	4 500
		49 187	40 357
Total Equity and Liabilities		2 684 506	1 667 679

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INCOME STATEMENT

Figures in Rand	Note	2008	2007
REVENUE			
Clothing and Craft Sales		78 759	110 702
Community Chest		125 200	103 200
Crèche fees		157 865	105 028
Donations		371 151	433 742
Government Grant & Subsidies	4	588 357	514 166
Hall Hire		16 331	16 144
Interest received		9 589	10 662
School Transport Income		115 240	49 485
Sundry Income		12 951	12 306
		1 475 443	1 355 434

OPERATING EXPENSES

Auditor's remuneration		(15 050)	(14 500)
Bank charges		(9 865)	(7 276)
Community Projects		(34 625)	(31 911)
Community share expense		(60 936)	(70 459)
Computer expenses		(4 978)	(8 568)
Craft expense		(15 820)	(18 450)
Donations		(500)	-
Electricity and water		(34 788)	(27 856)
Equipment		(26 562)	(20 014)
Food Parcels		(6 912)	(22 670)
Fundraising costs		(10 660)	(1 190)
Funeral expenses		(4 000)	(3 500)
Groceries & Cleaning		(42 089)	(33 470)
Home base care		(11 506)	(12 554)
Insurance		(24 529)	(16 472)
Motor vehicle expenses		(50 060)	(24 378)
Orphans & Vulnerable Children expense		(11 447)	-
Postage		(122)	(642)
Prevention Activities		(3 429)	-
Printing and stationery		(22 739)	(28 386)
Repairs and maintenance		(15 617)	(27 290)
Salaries		(974 312)	(733 150)
School bus & Taxi		(132 541)	(53 699)
Security		(5 667)	(1 983)
Sundry expenses		(17 931)	(25 766)
Support Group Costs		(5 568)	(2 100)
Telephone and fax		(28 349)	(27 126)
Training		(12 601)	(7 607)
		(1 583 203)	(1 221 017)
(Deficit) surplus for the year		(107 760)	134 417
Retained surplus at beginning of year		181 447	47 030
Retained surplus at end of year		73 687	181 447

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CASH FLOW STATEMENT

Figures in Rand	Notes	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts		1 472 636	1 329 935
Cash paid to suppliers and employees		(1 574 372)	(1 243 411)
Cash (used in) generated from operations	6	(101 736)	86 524
Interest income		9 589	10 662
Net cash from operating activities		(92 147)	97 186
CASH FLOWS FROM FINANCING ACTIVITIES			
Development funds received		863 215	597 726
Development funds used		(2 137 702)	(7 359)
Vehicle funds received		-	213 111
Less: Expended on assets		-	(194 340)
Sewing funds received		-	43 600
Less: Expended on assets		-	(22 740)
Department of Social Development Funds received		232 129	-
Disaster Fund		101 338	-
Less: Disaster funds used		(100 926)	-
Internet Cafe Fund		20 000	-
Net cash from financing activities		(1 021 946)	629 998
Total cash movement for the year		(1 114 093)	727 181
Cash at the beginning of the year		1 563 156	835 975
Total cash at end of the year	8	449 063	1 563 156

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ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared on the cash receipts and disbursements basis. On this basis revenue is recognised when received rather than when earned, expenses are recognised when paid rather than when incurred and known liabilities for current year expenses are accrued for in the annual financial statements. The basis of accounting is adequately disclosed and applied.

1.1 PROPERTY

Land and Buildings are recorded at cost and are not depreciated

All other fixed assets are written off to the income statement in the year in which they are acquired.

1.2 REVENUE

Revenue is recognised on receipt of income.

1.3 NON DISTRIBUTABLE BUILDING FUND RESERVE

Non distributable building fund reserves arise as a result of funds raised and expended during the year to complete additions to or purchases of property for the furtherance of the objectives of the Trust. The value of the reserve is therefore held in the property of the Trust.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2008	2007
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2. PROPERTY

	2008		2007	
	Cost	Accumulated depreciation	Carrying value	Cost
Land and buildings	2 187 526	-	2 187 526	49 824
				-
				49 824

Reconciliation of property - 2008

Land and buildings	Opening Balance	Improvement to Building	Total
	49 824	2 137 702	2 187 526

The carrying amounts of Land and Buildings are recorded at cost and are not depreciated. The carrying amount of property can be reconciled as shown above.

Land and Buildings consist of :
Erf 12265 Cape Town at Constantia.

3. RESERVES

Non distributable building fund reserve	2 137 702	-
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4. GOVERNMENT GRANT & SUBSIDIES

City of Cape Town Department of Health Grant	78 534	100 333
Department of Health Western Cape (Extended Public Work Program and European Union)	227 926	201 213
Department of Social Development Western Cape (Crèche)	165 083	132 330
Educational Grant - Western Cape (Crèche)	116 814	80 290
	588 357	514 166

5. TAXATION

No provision has been made for 2008 tax as the trust is exempt under s10(1)(cN) of the South African Income Tax Act, No 58 of 1962.

6. CASH (USED IN) GENERATED FROM OPERATIONS

(Deficit) surplus before taxation	(107 760)	134 417
Adjustments for:		
Movements in provisions	(900)	-
Interest received	(9 589)	(10 662)
Changes in working capital:		
VAT receivable	6 782	(25 499)
Trade and other payables	9 731	(11 732)
	(101 736)	86 524

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2008	2007
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7. SPECIAL FUNDS

Development Fund

Balance at beginning of year	1 406 244	815 877
Movement during the year:		
- Funds received	778 623	506 398
- Interest capitalised	84 592	91 328
Less funds applied:		
- Community Centre (New Building)	(2 137 702)	(7 359)
Balance at end of year	<u>131 757</u>	<u>1 406 244</u>

Vehicle Fund

Balance at beginning of year	18 771	11 000
Movement during the year:		
- Funds received from Geneva Global	-	127 600
- Funds received from Willow Creek Foundation	-	46 550
- Funds received from fundraising	-	27 961
Less cost of two vehicles purchased	-	(194 340)
Balance at end of year	<u>18 771</u>	<u>18 771</u>

Sewing Machine Fund

Balance at beginning of the year	20 860	-
Movement during the year:		
- Funds received from Geneva Global	-	43 600
Less cost of machines purchased	-	(22 740)
Balance at end of year	<u>20 860</u>	<u>20 860</u>

Social Development Fund

Movement during the year:		
- Funds received	227 700	-
- Interest capitalised	4 429	-
Balance at end of year	<u>232 129</u>	-

Internet Cafe Fund

Movement during the year:		
- Funds received	20 000	-
Balance at end of year	<u>20 000</u>	-

Disaster fund

Movement during the year:		
- Funds received	101 338	-
Less: Funds expensed	(100 925)	-
Balance at end of year	<u>413</u>	-
	<u>423 930</u>	<u>1 445 875</u>

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8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	6 127	3 498
Money market balances	431 241	1 360 071
Bank balances	11 696	199 587
	449 063	1 563 156