

**WESTLAKE UNITED CHURCH TRUST**

Registration number: IT 409/2002

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

**WESTLAKE UNITED CHURCH TRUST  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

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

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**WESTLAKE UNITED CHURCH TRUST  
STATEMENT OF RESPONSIBILITY  
for the year ended 31 December 2007**

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 financial statements which appear on pages 5 to 10 were approved by the board of trustees and signed on their behalf by:

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Date

## **Report of the Independent Auditors**

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### **To Westlake United Church Trust**

We have audited the accompanying annual financial statements of Westlake United Church Trust, which comprise the balance sheet as at 31 December 2007, and the income statement and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in note 1 of the accounting policy notes of the trust. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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 annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the annual 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 annual 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 the accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### **Income and Expenditure**

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.

Further, we are dependent on management to ensure the validity of certain limited expenditure, which because of its nature may not have a normal commercial or similar document supporting the expense.

**Opinion**

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the accompanying annual financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 of the accounting policy notes of the trust as of 31 December 2007.

**Greenwich Grove  
Station Road  
RONDEBOSCH**

**RSM BETTY & DICKSON (CAPE TOWN)  
Chartered Accountants (SA)  
Registered Auditors**

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**Date**

**WESTLAKE UNITED CHURCH TRUST**  
**ACCOUNTING POLICY NOTES**  
**for the year ended 31 December 2007**

**1 Accounting policies**

The financial statements have been prepared on the entity specific basis of accounting and the basis of accounting is adequately disclosed and applied.

**1.1 Revenue recognition**

Revenue is recognised on receipt of income.

**1.2 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.

**WESTLAKE UNITED CHURCH TRUST**  
**BALANCE SHEET**  
at 31 December 2007

	Notes	2007 R	2006 R
<b>Assets</b>			
<b>Non-current assets</b>			
Property	1	49 824	49 824
<b>Current assets</b>			
		<b>1 617 855</b>	865 175
Trade and other receivables		54 699	29 200
Cash and cash equivalents		1 563 156	835 975
<b>Total assets</b>		<b>1 667 679</b>	<b>914 999</b>
<b>Funds and liabilities</b>			
<b>Funds and reserves</b>			
		<b>1 627 322</b>	862 907
Funds	2	1 445 875	815 877
Distributable reserve		181 447	47 030
<b>Current liability</b>			
		<b>40 357</b>	52 092
Trade and other payables		35 857	47 592
Provision- audit fees for the Department of Health (Western Cape)		4 500	4 500
<b>Total funds and liabilities</b>		<b>1 667 679</b>	<b>914 999</b>

**WESTLAKE UNITED CHURCH TRUST**  
**INCOME STATEMENT**  
for the year ended 31 December 2007

	2007 R	2006 R
<b>Revenue</b>	<b>1 343 572</b>	<b>917 555</b>
City of Cape Town Department of Health	100 333	80 938
Clothing and craft sales	110 702	68 744
Community Chest	103 200	152 000
Contributions received from churches	175 450	182 600
Crèche fees	106 297	93 842
Department of Health Western Cape (Extended Public Work Program)	23 499	6 346
Department of Health Western Cape (European Union)	177 714	107 800
Department of Social Development Western Cape (Crèche)	132 330	121 443
Donations	62 111	29 506
Geneva Global	101 461	-
Hall hire	16 144	21 341
Photocopying and fax	4 523	755
Sale of bus tickets	49 485	-
Sundry income	6 583	7 754
Western Cape Education Department (Crèche)	80 290	44 486
Willow Creek Association	93 450	-
<b>Other income</b>	<b>11 862</b>	<b>28 577</b>
Interest received	10 662	6 941
Admin income- Masivuke	1 200	1 200
Vat recoveries	-	20 436
<b>Total income</b>	<b>1 355 434</b>	<b>946 132</b>
<b>Expenditure</b>	<b>1 221 017</b>	<b>1 005 456</b>
Auditor's remuneration	14 500	19 644
Bank charges	7 273	4 559
Community projects	31 910	16 581
Community share expense	71 265	47 481
Computer expenses	7 731	12 912
Craft expenses	18 450	18 150
Electricity and water	27 856	27 113
Equipment	19 411	27 570
Food parcels	22 670	31 707
Groceries & cleaning	33 470	25 743
Homebase care	12 554	6 071
Insurance	16 472	5 773
Motor vehicle expenses	24 379	29 450
Postage	830	455
Printing and stationery	28 387	21 652
Repairs and maintenance	27 289	52 683
Salaries	733 149	567 264
School bus & taxi	53 699	-
Security	1 983	4 835
Sundry expenses	33 006	38 175
Telephone and fax	27 126	33 154
Training	7 607	14 484
Surplus/ (Deficit) for the year	134 417	(59 324)
Retained surplus at beginning of year	47 030	106 354
Retained surplus at end of year	<u>181 447</u>	<u>47 030</u>

**WESTLAKE UNITED CHURCH TRUST**  
**CASH FLOW STATEMENT**  
for the year ended 31 December 2007

	Notes	2007 R	2006 R
<b>Cash flows from operating activities</b>		<b>97 186</b>	<b>(63 097)</b>
Cash receipts		<b>1 329 935</b>	912 420
Cash paid to suppliers and employees		<b>(1 243 411)</b>	<b>(982 458)</b>
Cash generated by/(utilised in) operating activities	4.1	<b>86 524</b>	(70 038)
Interest received		<b>10 662</b>	6 941
<b>Cash flows from financing activities</b>		<b>629 998</b>	<b>692 873</b>
Development funds received		<b>597 726</b>	691 741
Development funds used		<b>(7 359)</b>	-
Vehicle funds received		<b>213 111</b>	11 000
Less: expended on assets		<b>(194 340)</b>	(9 868)
Sewing funds received		<b>43 600</b>	-
Less: expended on assets		<b>(22 740)</b>	-
Increase in cash and cash equivalents		<b>727 181</b>	629 773
Cash and cash equivalents at beginning of the year	4.2	<b>835 975</b>	206 202
Cash and cash equivalents at end of the year	4.2	<b>1 563 156</b>	835 975

**WESTLAKE UNITED CHURCH TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2007**

**1. Property**

	2007			2006		
	Cost	Accumulated	Carrying value	Cost	Accumulated	Carrying value
	R	depreciation	R	R	depreciation	R
	R	R	R	R	R	R
<i>Owned assets</i>						
Land and buildings	49 824	-	49 824	49 824	-	49 824

The carrying amounts of Land and buildings are recorded at cost and are not depreciated. The carrying amount of property can be reconciled as follows.

<b>2007</b>	Carrying value at beginning of year	Disposals	Carrying value at end of year
	R	R	R
<i>Owned assets</i>			
Land and buildings	49 824	-	49 824

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

**2. Funds**

<u>Development fund</u>		
Balance at beginning of year	815 877	123 004
Movement during year:		
- Funds received	506 398	691 741
- Interest capitalised	91 328	-
Less expenses:		
- Community centre	(7 359)	(9 868)
<u>Vehicle fund</u>		
Balance at beginning of year	11 000	
Movement during year:		
- Funds received from Geneva Global	127 600	
- Funds received from Willow Creek Foundation	46 550	
- Funds received from fundraising	27 961	11 000
Less cost of two vehicles purchased	(194 340)	
<u>Sewing machine fund</u>		
Movement during year:		
- Funds received from Geneva Global	43 600	
Less cost of machines purchased	(22 740)	
	<u>1 445 875</u>	<u>815 877</u>

**3. Taxation**

No provision has been made for 2007 taxation as the trust is exempt under s10(1)(cN) of the South African Income Tax act, No 58 of 1962.

**WESTLAKE UNITED CHURCH TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2007

	2007 R	2006 R
<b>4. Notes to the cash flow statement</b>		
4.1 <u>Cash generated by/(utilised in) operating activities</u>		
Net surplus	134 417	(59 324)
Adjustments for:		
Interest received	(10 662)	(6 941)
Movement in provisions	-	4 500
	<b>123 755</b>	<b>(61 765)</b>
Movements in working capital		
Increase in accounts receivable	(25 499)	(25 571)
(Decrease)/increase in accounts payable	(11 732)	17 298
	<b>86 524</b>	<b>(70 038)</b>
4.2 <u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<b>1 563 156</b>	<b>835 975</b>