

WESTLAKE UNITED CHURCH TRUST
(Registration number IT 409/2002)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2012

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Trust is a non-profit organisation, which is dedicated to helping the poor in Westlake by providing social and educational programmes and local community advice services.
Trustees	Reverend Kevin Daines James McGregor Reverend David Gray Reverend Floors van Rooi Angus Wilson Harold Stemmet Nkululeko Badini Bealah Smith
Registered office	Westlake Community Office Cnr Egret Close & Westlake Drive Westlake 7945
Postal address	PO Box 30113 Tokai 7966
Bankers	First National Bank
Auditors	BDV Platinum Chartered Accountants (S.A.)
Trust registration number	IT 409/2002
NPO number	030-186-NPO
PBO number	PBO 18/11/13/100

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Annual Financial Statements for the year ended 31 December 2012

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Independent Auditor's report

To the trustees of Westlake United Church Trust

We have audited the annual financial statements of Westlake United Church Trust, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report, as set out on pages 5 to 14.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 auditor's judgement, including the assessment of the risks 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 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 qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over income prior to initial entry of the grants, donations and all other income in the accounting records. Accordingly it was impracticable to extend our examination for the grants, donations and all other income beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Westlake United Church Trust as at 31 December 2012, 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.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on pages 15 to 16 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



BDV Platinum
Chartered Accountants (S.A.)
Registered Auditors

08 April 2013
Westlake

Westlake United Church Trust

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

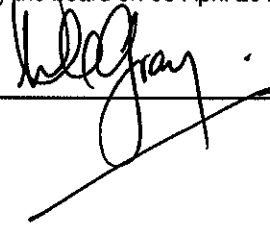
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

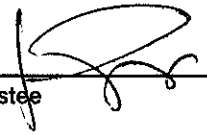
The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2013 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's is responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor's and their report is presented on page 3.

The annual financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the board on 08 April 2013 and were signed on its behalf by:



Trustee



Trustee

Westlake
08 April 2013
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Westlake United Church Trust

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Annual Financial Statements for the year ended 31 December 2012

Trustees' Report

The trustees submit their report for the year ended 31 December 2012.

1. Review of activities

Main business and operations

The trust is a non-profit organisation, which is dedicated to helping the poor in Westlake by providing social and educational programmes and local community advice services.

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

	Changes
Reverend Kevin Daines	
James McGregor	
Reverend David Gray	
Reverend Floors van Rooi	
Angus Wilson	
Harold Stemmet	Appointed 15 May 2012
Nkululeko Badini	Appointed 02 October 2012
Bealah Smith	Appointed 02 October 2012

5. Auditors

BDV Platinum will continue in office for the next financial period.

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Annual Financial Statements for the year ended 31 December 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,025,873	6,074,198
Current Assets			
Trade and other receivables	3	134,664	73,790
Cash and cash equivalents	4	995,320	429,092
		1,129,984	502,882
Total Assets		7,155,857	6,577,080
Equity and Liabilities			
Equity			
Accumulated surplus		799,428	811,748
Special funds	5	244,085	183,962
Non distributable land and buildings reserve		4,745,142	4,598,321
		5,788,655	5,594,031
Liabilities			
Current Liabilities			
Other financial liabilities	6	650,000	700,000
Trade and other payables	7	97,497	96,258
Deferred income	8	619,705	186,791
		1,367,202	983,049
Total Equity and Liabilities		7,155,857	6,577,080

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2012	2011
Income	9	2,886,308	2,486,902
Other income		200,807	332,392
Operating expenses		(2,967,815)	(2,798,640)
Operating surplus		119,300	20,654
Investment revenue		15,202	22,550
Surplus for the year		134,502	43,204
Other comprehensive income		-	-
Total comprehensive income for the year		134,502	43,204

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Statement of changes in equity

	Non distributable land and buildings reserve	Special funds	Accumulated surplus	Total equity
Figures in Rand				
Balance at 01 January 2011	4,348,321	232,764	1,018,544	5,599,629
Changes in equity				
Total comprehensive income for the year	-	-	43,204	43,204
Movement in special funds	-	(48,802)	-	(48,802)
Transfer to building reserve	250,000	-	(250,000)	-
Total changes	250,000	(48,802)	(206,796)	(5,598)
Balance at 01 January 2012	4,598,321	183,962	811,748	5,594,031
Changes in equity				
Total comprehensive income for the year	-	-	134,502	134,502
Movement in special funds	-	60,123	-	60,123
Transfer to building reserve	146,822	-	(146,822)	-
Total changes	146,822	60,123	(12,320)	194,625
Balance at 31 December 2012	4,745,142	244,085	799,428	5,788,654

Note(s)

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Westlake United Church Trust

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Statement of Cash Flows

Figures in Rand	Note(s)	2012	2011
Cash flows from operating activities			
Cash generated from operations	11	637,724	45,994
Interest income		15,202	22,550
Net cash from operating activities		652,926	68,544
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(96,821)	(22,218)
Cash flows from financing activities			
Loans raised		(50,000)	(400,000)
Sports funds received		-	33,064
Sports funds used		-	(29,179)
Home based care needs funds received		-	20,000
Home based care needs funds used		(17,735)	(2,265)
Township bags funds used		-	(15,925)
Social development funds received		237,245	173,847
Social development funds used		(159,387)	(210,806)
Vehicle funds received		-	18,780
Vehicle funds used		-	(36,300)
Net cash from financing activities		10,123	(448,784)
Total cash movement for the year		566,228	(402,458)
Cash at the beginning of the year		429,092	831,550
Total cash at end of the year	4	995,320	429,092

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Annual Financial Statements for the year ended 31 December 2012

Accounting Policies

1. Presentation of Annual Financial Statements

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Determination of cost

Management applies their judgement in the determination of the cost of assets donated to the trust by reference to the retail value of similar assets.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any 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 is as follows:

Item	Average useful life
Land	not depreciable
Buildings	not depreciable
Motor vehicles	5 years
IT equipment	5 years
Site equipment	5 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.4 Impairment of assets

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Accounting Policies

1.4 Impairment of assets (continued)

The trust assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

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 trust has an obligation at the reporting period date as a result of a past event;
- it is probable that the trust 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 Income

Income is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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Notes to the Annual Financial Statements

Figures in Rand

2012

2011

2. Property, plant and equipment

	2012			2011		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	49,824	-	49,824	49,824	-	49,824
Buildings	5,705,859	-	5,705,859	5,609,038	-	5,609,038
Motor vehicles	238,000	(116,400)	121,600	238,000	(68,800)	169,200
Computer equipment	413,150	(268,850)	144,300	413,150	(186,220)	226,930
Site equipment	74,580	(70,290)	4,290	74,580	(55,374)	19,206
Total	6,481,413	(455,540)	6,025,873	6,384,592	(310,394)	6,074,198

Reconciliation of property, plant and equipment - 2012

	Opening Balance	Additions	Depreciation	Total
Land	49,824	-	-	49,824
Buildings	5,609,038	96,821	-	5,705,859
Motor vehicles	169,200	-	(47,600)	121,600
Computer equipment	226,930	-	(82,630)	144,300
Site equipment	19,206	-	(14,916)	4,290
	6,074,198	96,821	(145,146)	6,025,873

Reconciliation of property, plant and equipment - 2011

	Opening Balance	Additions	Depreciation	Total
Land	49,824	-	-	49,824
Buildings	5,586,820	22,218	-	5,609,038
Motor vehicles	216,800	-	(47,600)	169,200
IT equipment	309,560	-	(82,630)	226,930
Site equipment	34,122	-	(14,916)	19,206
	6,197,126	22,218	(145,146)	6,074,198

Details of properties

Land and buildings are situated at ERF 12265 Constantia, Cape Town.

3. Trade and other receivables

Other receivables	104,920	62,865
Prepayments	13,774	631
Deposits	1,000	1,000
VAT	14,970	9,294
	134,664	73,790

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11,193	8,213
Bank balances	33,001	103,077
Short-term deposits	951,126	317,802
	995,320	429,092

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Notes to the Annual Financial Statements

Figures in Rand	2012	2011
5. Special funds		
Vehicle Fund		
Balance at beginning of year	13,251	30,771
Add: Funds received	-	18,780
Less: Funds applied	-	(36,300)
Balance at end of year	<u>13,251</u>	<u>13,251</u>
Home Based Care Needs Fund		
Balance at beginning of year	17,735	-
Add: Funds received	-	20,000
Less: Funds applied	(17,735)	(2,265)
Balance at end of year	<u>-</u>	<u>17,735</u>
Social Development Fund		
Balance at beginning of year	132,646	169,605
Add: Funds received	253,269	173,847
Less: Funds applied	(175,411)	(210,806)
Balance at end of year	<u>210,504</u>	<u>132,646</u>
Township Bags Project Fund		
Balance at beginning of year	-	15,925
Less: Funds applied	-	(15,925)
Balance at end of year	<u>-</u>	<u>-</u>
Sports Fund		
Add: Funds received	20,330	16,463
Less: Funds applied	-	33,064
Balance at end of year	<u>20,330</u>	<u>(29,197)</u>
	<u>244,085</u>	<u>183,962</u>
6. Other financial liabilities		
J McGregor	650,000	700,000
The loan is unsecured, interest free and has no fixed terms of repayment.		
Current liabilities		
At amortised cost	650,000	700,000
7. Trade and other payables		
Trade payables	97,497	96,258

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Notes to the Annual Financial Statements

Figures in Rand	2012	2011
8. Deferred income		
City of Cape Town Department of Health	-	12,498
City of Cape Town Fish Hoek Sub-district Council	-	2,265
Department of Education	59,060	67,103
Department of Health Western Cape	110,610	93,607
Donations Office	-	6,000
National Lotteries Board	430,035	-
Orphans and Vulnerable Children	-	5,319
Impumelelo Social Innovations Centre	20,000	-
	619,705	186,792

9. Income

Grants	1,523,756	1,572,558
Donations	872,441	553,900
Pre-school fees	420,253	271,961
Hall hire and administrative income	69,858	88,483
	2,886,308	2,486,902

10. Taxation

No provision has been made for 2012 tax as the trust is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.

11. Cash generated from operations

Surplus before taxation	134,502	43,204
Adjustments for:		
Depreciation and amortisation	145,146	145,146
Interest received	(15,202)	(22,550)
Movements in provisions	-	(6,000)
Changes in working capital:		
Trade and other receivables	(60,874)	62,206
Trade and other payables	1,238	(156,447)
Deferred income	432,914	(19,565)
	637,724	45,994

12. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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Annual Financial Statements for the year ended 31 December 2012

Detailed Income Statement

Figures in Rand	Note(s)	2012	2011
Income			
Donations		872,441	553,900
Grants		1,523,756	1,572,558
Hall hire and administrative income		69,858	88,483
Pre-school fees		420,253	271,961
	9	2,886,308	2,486,902
Other income			
Capital donations		146,821	250,000
Fees earned		-	5,445
Interest received		15,202	22,550
Sundry income		53,986	76,947
		216,009	354,942
Operating expenses			
Auditors remuneration		37,600	29,520
Bank charges		19,191	17,471
Cleaning		7,547	7,437
Computer expenses		16,755	20,858
Consulting and professional fees		4,390	7,785
Depreciation		145,146	145,146
Employee costs		2,070,831	1,834,769
Insurance		35,964	48,145
Motor vehicle expenses		91,275	69,896
Office expenses		103,551	77,489
Pest control		4,050	3,685
Printing and stationery		36,594	29,639
Project expenses		190,424	243,995
Repairs and maintenance		19,463	61,774
Security		512	590
Staff welfare		3,697	1,977
Telephone and fax		32,204	32,141
Training		4,110	41,601
Travel - local		56,530	20,830
Utilities		87,981	103,892
		2,967,815	2,798,640
Surplus for the year		134,502	43,204

Westlake United Church Trust

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Annual Financial Statements for the year ended 31 December 2012

Schedule of Donations and Grants

Figures in Rand	Note(s)	2012	2011
1. Grants			
City of Cape Town Department of Health Grant		49,998	60,497
City of Cape Town South Peninsula Grant		2,265	40,000
Community Chest		69,855	77,190
Department of Health Western Cape (Home Based Care Programme)		516,144	432,927
Department of Education - Western Cape (Pre-school)		192,391	237,451
Department of Social Development - Western Cape (HIV/AIDS Funding)		167,400	158,358
Department of Social Development - Western Cape (Pre-school)		275,616	275,616
National Lotteries Board		258,100	142,000
Pepfar		-	111,825
Willow Creek		-	36,694
		1,531,769	1,572,558
2. Donations			
Contributions from Churches		196,600	220,600
Various Donors		675,841	333,300
		872,441	553,900