

WESTLAKE UNITED CHURCH TRUST
(Registration number IT 409/2002)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

General Information

Country of incorporation and domicile	South Africa
Type of trust	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	Ann Albrecht Brian Fraser Carol Moulton David Gray David Walsh Harold Stemmet James McGregor Nkululeko Badini
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 18/11/3/100

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Index

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

Index	Page
Trustees' Responsibilities and Approval	3
Independent Auditors' Report	4
Trustees' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 14
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Financial Performance	15

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

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.

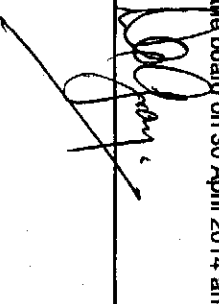
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2014 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.

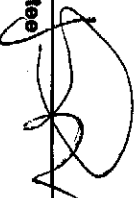
The external auditors are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board on 30 April 2014 and were signed on its behalf by:

Trustee



Trustee



Westlake

30 April 2014

Independent Auditors' Report

To the trustees of Westlake United Church Trust

We have audited the annual financial statements of Westlake United Church Trust, as set out on pages 5 to 14, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' 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 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

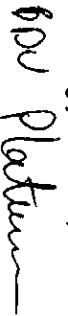
In common with similar organisations, it is not feasible for the organisation to institute accounting controls over income prior to initial entry of the grants, donations and all other income in the accounting records. Accordingly it was impracticable to extend our examination for the grants, donations 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 2013, 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

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 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.)

30 April 2014

49 Bell Crescent
Westlake Business Park
Westlake
7945

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Trustees' Report

The trustees submit their report for the year ended 31 December 2013.

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.

Net deficit of the trust was R 67,586 (2012: surplus R 134,502), after taxation of R - (2012: R -).

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 that has a material impact on the annual financial statements.

4. Trustees

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

Name	Changes
Angus Wilson	Died 11 October 2013
Ann Albrecht	Appointed 30 July 2013
Beulah Smith	Resigned 31 October 2013
Brian Fraser	Appointed 30 July 2013
Carol Mouton	Appointed 16 April 2013
David Gray	
David Walsh	Appointed 29 October 2013
Floors van Rooi	Resigned 31 March 2013
Harold Stemmet	
James McGregor	
Kevin Daines	
Nkululeko Badini	Resigned 30 July 2013

5. Auditors

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

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Statement of Financial Position as at 31 December 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	5,942,655	6,025,873
Current Assets			
Trade and other receivables	3	86,314	134,664
Cash and cash equivalents	4	1,483,775	985,320
		1,570,089	1,129,984
Total Assets		7,512,744	7,155,857
Equity and Liabilities			
Equity			
Accumulated surplus		663,342	799,354
Non distributable land and buildings reserve		4,795,142	4,745,142
Special funds	5	415,653	244,085
		5,874,137	5,788,581
Liabilities			
Current Liabilities			
Other financial liabilities	6	600,000	650,000
Deferred income	7	962,171	599,705
Trade and other payables	8	76,436	117,571
		1,638,607	1,367,276
Total Equity and Liabilities		7,512,744	7,155,857

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue	9	3,133,853	2,886,308
Other income		181,736	200,807
Operating expenses		(3,415,225)	(2,967,815)
Operating (deficit) surplus		(99,636)	119,300
Investment revenue		32,050	15,202
(Deficit) surplus for the year		(67,586)	134,502

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2013

Statement of Changes in Equity

	Special funds	Non distributable land and buildings reserve	Accumulated surplus	Total equity
Figures in Rand				
Balance at 01 January 2012	183,962	4,598,321	811,673	5,593,956
Surplus for the year	-	-	134,502	134,502
Movement in special funds	60,123	-	-	60,123
Movement in building reserve	-	146,821	(146,821)	-
Total changes	60,123	146,821	(146,821)	60,123
Balance at 01 January 2013	244,085	4,745,142	799,354	5,788,581
Deficit for the year	-	-	(67,586)	(67,586)
Transfer to building reserve	-	50,000	(50,000)	-
Movement in special funds	153,142	-	-	153,142
Transfer to vehicle fund	18,426	-	(18,426)	-
Balance at 31 December 2013	415,653	4,795,142	663,342	5,874,137

Note(s)

5

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash generated from operations	11	394,385	637,724
Interest income		32,050	15,202
Net cash from operating activities		426,435	652,926
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(41,122)	(96,821)
Cash flows from financing activities			
Repayment of other financial liabilities		(50,000)	(50,000)
Home based care needs funds used		-	(17,735)
Movement in social development funds		52,521	77,858
Movement in bursary fund		101,621	-
Movement in sports fund		(1,000)	-
Net cash from financing activities		103,142	10,123
Total cash movement for the year		488,455	566,228
Cash at the beginning of the year		995,320	429,092
Total cash at end of the year	4	1,483,775	995,320

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

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 judgements, estimates and assumptions that affect the amounts represented in the annual 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 annual financial statements.

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.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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
Computer equipment	5 years
Site equipment	5 years

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

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

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting 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

The trust assesses at each reporting date whether there is any indication that an asset may be impaired.

Westlake United Church Trust

(Registration number: IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Accounting Policies

1.4 Impairment of assets (continued)

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, 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 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.

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand

2013

2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Land	49,824	-	49,824	49,824	-	49,824
Buildings	5,746,981	-	5,746,981	5,705,859	-	5,705,859
Motor vehicles	238,000	(164,000)	74,000	238,000	(116,400)	121,600
Computer equipment	413,150	(341,300)	71,850	413,150	(268,850)	144,300
Site equipment	74,580	(74,580)	-	74,580	(70,290)	4,290
Total	6,522,535	(579,880)	5,942,655	6,481,413	(455,540)	6,025,873

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Land	49,824	-	-	49,824
Buildings	5,705,859	41,122	-	5,746,981
Motor vehicles	121,600	-	(47,600)	74,000
Computer equipment	144,300	-	(72,450)	71,850
Site equipment	4,290	-	(4,290)	-
	6,025,873	41,122	(124,340)	5,942,655

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

Details of properties

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

3. Trade and other receivables

Prepayments	14,872	13,774
Deposits	1,000	1,000
VAT	20,180	14,970
Other receivables	50,262	104,920
	86,314	134,664

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand

2013 2012

4. Cash and cash equivalents (continued)

Cash on hand	6 997	11 193
Bank balances	31 963	33 001
Short-term deposits	1 444 815	951 126
	1 483 775	995 320

5. Special funds

Bursary Fund		
Add: Funds received	153 770	-
Less: Funds applied	(52 149)	-
Balance at end of year	<u>101 621</u>	-

Home Based Care Needs Funds

Balance at beginning of year	-	17 735
Less: Funds applied	-	(17 735)
Balance at end of year	<u>-</u>	-

Social Development Fund

Balance at beginning of year	210 504	132 646
Add: Funds received	210 055	253 269
Less: Funds applied	(157 534)	(175 411)
Balance at end of year	<u>263 025</u>	<u>210 504</u>

Sports Fund

Balance at beginning of year	20 330	-
Add: Funds received	-	20 330
Less: Funds applied	(1 000)	-
Balance at end of year	<u>19 330</u>	<u>20 330</u>

Vehicle Fund

Balance at beginning of year	13 251	13 251
Add: Funds received	20 000	-
Less: Funds applied	(1 574)	-
Balance at end of year	<u>31 677</u>	<u>13 251</u>

415,653 **244,085**

6. Other financial liabilities

At amortised cost	600 000	650 000
J McGregor		

The loan is unsecured, interest free and has no fixed terms of repayment.

Current liabilities

At amortised cost	600 000	650 000
-------------------	---------	---------

7. Deferred income

Department of Education	65 627	59 060
Department of Health Western Cape	145 042	110 610
National Lotteries Board	751 502	430 035
	962 171	559 705

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand

2013

2012

8. Trade and other payables

Trade payables

76,436

117,571

9. Income

Grants

1,851,902

1,550,089

Donations

663,838

854,706

Pre-school fees

538,055

420,253

Hall hire and administrative income

80,058

61,260

3,133,853

2,886,308

10. Taxation

No provision has been made for 2013 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

(Deficit) surplus before taxation

(67,586)

134,502

Adjustments for:

Depreciation and amortisation

124,340

145,146

Interest received

(32,050)

(15,202)

Changes in working capital:

Trade and other receivables

48,350

(60,874)

Trade and other payables

(41,135)

1,238

Deferred income

362,466

432,914

394,385

637,724

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.

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2013

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012
Revenue			
Grants		1,851,902	1,550,089
Donations		663,838	854,706
Pre-school fees		538,055	420,253
Hall hire and administrative income		80,058	61,260
	9	3,133,853	2,886,308
Other income			
Capital donations		98,541	146,821
Interest received		32,050	15,202
Profit on sale of asset		18,426	-
Sundry income		64,769	53,986
		213,786	216,009
Operating expenses			
Auditors' remuneration		40,375	37,600
Bank charges		22,224	19,191
Cleaning		15,593	7,547
Computer expenses		18,326	16,755
Consulting and professional fees		3,000	4,390
Depreciation		124,340	145,146
Employee costs		2,428,208	2,070,831
Insurance		35,642	35,964
Motor vehicle expenses		71,331	91,275
Office expenses		48,152	103,551
Pest control		5,765	4,050
Printing and stationery		39,832	36,594
Project expenses		175,191	190,424
Repairs and maintenance		152,285	19,463
Security		-	512
Staff welfare		2,961	3,697
Telephone and fax		38,816	32,204
Training		4,032	4,110
Travel - local		51,595	56,530
Utilities		137,557	87,981
		3,415,225	2,967,815
(Deficit) surplus for the year		(67,586)	134,502