

**EMMANUEL EDUCARE PRE-SCHOOL  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2014**

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## General Information

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### Country of incorporation and domicile

South Africa

### Trustees

David Barnes

Carol Mouton

James McGregor (Deceased  
20/07/2014)

### Registered office

Cnr Egret Close & Westlake Drive  
Westlake  
7945

### Business address

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.)  
Registered Auditors

### PBO number

930046186

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

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

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The annual financial statements set out on pages 4 to 9, which have been prepared on the going concern basis, were approved by the governing body and were signed on its behalf by:

  
\_\_\_\_\_  
Chairman of the Governing Body

  
\_\_\_\_\_  
Treasurer of the Governing Body

Date: 9 June 2015

# BDV PLATINUM

CHARTERED ACCOUNTANTS (SA)

## Independent Auditors' Report

### To the Governing Body of the Emmanuel Educare Pre-School

We have audited the annual financial statements of the Emmanuel Educare Pre-School, as set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2014, 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.

### Governing Body's Responsibility for the Annual Financial Statements

The school's governing body is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, and requirements of the South African Schools Act 84 of 1996. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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.

### 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


Contrary to South African Statements of Generally Accepted Accounting Practice, capital expenditure is not capitalised but written off as expenditure in the year of purchase. We concur with the Governing Body's decision to treat capital expenditure in this way as all assets purchased by the school are effectively owned by the Government and not the school, and it is therefore common practice among schools to write-off capital expenditure in the year of purchase.

In common with other schools, it is not feasible for the organisation to institute accounting controls over fundraising income prior to receipts. Accordingly, it was impracticable for us to extend our examination 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 of Emmanuel Educare Pre-School for the year then ended 31 December 2014 are prepared, in all material respects, in accordance with South African Statements of Generally Accepted Accounting Practice, and the requirements of the South African Schools Act 84 of 1996.

  
BDV Platinum  
Chartered Accountants (S.A.)  
Director: Braam De Vries  
Registered Auditors

  
Westlake

BDV Platinum Financial Workshop (Pty) Ltd  
Company Reg No: 2014/12273B/D7 | VAT No: 4140184244  
Physical Address: 49 Bell Crossings, | Westlake Business Park | Westlake 7945  
Postal Address: PO Box 514061 | Tokai 7966 | Email: admin@bdvplatinum.com  
Telephone: 021 701 7520 | Fax: 021 638 5372 | Web: www.bdvplatinum.com  
Directors: Braam de Vries, Mark Dawson | Practice No: 509104

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## Statement of Financial Position as at 31 December 2014

Figures in Rand	Note(s)	2014
<b>Assets</b>		
Current Assets		
Trade and other receivables	2	495,121
Cash and cash equivalents	3	12,618
<b>Total Assets</b>		<b>507,739</b>
<b>Equity and Liabilities</b>		
Equity		
Bursary fund		110,514
Accumulated surplus		302,870
		<b>413,384</b>
Liabilities		
Current Liabilities		
Trade and other payables	4	94,355
<b>Total Equity and Liabilities</b>		<b>507,739</b>

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## Statement of Comprehensive Income

Figures in Rand

	Note(s)	2014
<b>Revenue</b>		<b>578,272</b>
School fees		
<b>Other income</b>		
Donations received		110,347
National Lottery Board grant		491,000
Western Cape Department of Social Development grant		269,280
Western Cape Education Department grant		384,120
		<b>1,254,747</b>
<b>Expenses</b>		
Bank charges		7,673
Consumables		4,194
Facilities and equipment		81,423
Groceries and cleaning		83,951
Motor vehicle expenses		21,955
Pest control		9,200
Printing and stationery		10,295
Rent paid		36,000
Repairs and maintenance		20,193
Salaries and wages		1,204,821
Telephone and fax		9,600
Training		3,865
Utilities		36,979
		<b>1,530,147</b>
<b>Surplus for the year</b>		<b>302,872</b>

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## Statement of Changes in Equity

Figures in Rand	Bursary fund	Accumulated surplus	Total equity
Surplus for the year	-	302,870	302,870
Bursary fund	110,514	-	110,514
<b>Balance at 31 December 2014</b>	<b>110,514</b>	<b>302,870</b>	<b>413,384</b>

Note(s)

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## Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

### Statement of Cash Flows

Figures in Rand	Note(s)	2014
<b>Cash flows from operating activities</b>		
Cash used in operations	5	(97,896)
<b>Cash flows from financing activities</b>		
Movement in funds		110,514
<b>Total cash movement for the year</b>		<b>12,618</b>
<b>Total cash at end of the year</b>	3	<b>12,618</b>



# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements are presented in South African Rands.

There are no prior year figures as it is the first year for the school operating as a separate legal entity.

#### 1.1 Financial Instruments

##### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

##### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and cash at bank.

#### 1.2 Revenue

School fee income is recognised on an invoice basis.

Interest is recognised, in profit or loss, using the effective interest rate method.

#### 1.3 Capital expenditure

Capital expenditure is written off in the year of acquisition.

# Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2014

## Notes to the Annual Financial Statements

Figures in Rand

2014

### 2. Trade and other receivables

Fees receivable	9,600
Other receivable - Westlake United Church Trust	485,521
	<b>495,121</b>

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,425
Bank balances	10,193
	<b>12,618</b>

### 4. Trade and other payables

Fees received in advance	6,590
Accruals and provisions	14,325
Western Cape Education Department grant advance	73,440
	<b>94,355</b>

### 5. Cash used in operations

Surplus for the year	302,868
<b>Changes in working capital:</b>	
Trade and other receivables	(495,121)
Trade and other payables	94,355
	<b>(97,896)</b>

### 6. Funds

<b>Bursary fund</b>	
Balance at the beginning of year	101,621
Funds received	63,850
Funds utilised	(54,957)
	<b>110,514</b>