

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

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2014

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 Mouton
David Gray
David Walsh
Harold Stemmet
James McGregor (Deceased 20 July 2014)
Nkululeko Badini

Registered office

Westlake Community Office
Cnr Egret Close & Westlake Drive
Westlake
7945

Business address

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

Tax reference number

0014437156

NPO number

030-186-NPO

PBO number

PBO 18/11/13/100

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2014

Index

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

	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
Notes to the Annual Financial Statements	11 - 13

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

Detailed Statement of Financial Performance	14
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Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

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.

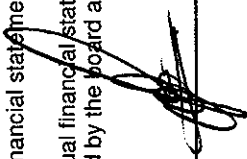
The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

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.

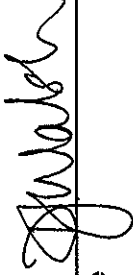
The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:

Trustee

Date:


9 June 2015

Trustee



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 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.

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

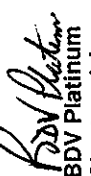
In common with similar organisations, it is not feasible for the organisation to institute accounting controls over income prior to initial entry of the grants, donations and all other income in the accounting records. Accordingly it was impracticable to extend our examination for the grants, donations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

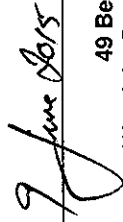
Qualified Opinion

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 2014, 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 14 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.)
Director: Braam de Vries


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 2014

Trustees' Report

The trustees submit their report for the year ended 31 December 2014.

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 surplus of the trust was R 300,315 (2013: surplus R 67,586).

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
Ann Albrecht	
Brian Fraser	
Carol Mouton	
David Gray	
David Walsh	
Harold Stemmet	
James McGregor	Deceased 20 July 2014
Nkululeko Badini	

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 2014

Statement of Financial Position as at 31 December 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	5,856,369	5,942,655
Current Assets			
Trade and other receivables	3	76,411	86,314
Cash and cash equivalents	4	804,054	1,483,775
Total Assets		880,465	1,570,089
Equity and Liabilities			
Equity			
Accumulated surplus		913,657	663,342
Non distributable land and buildings reserve		4,845,142	4,795,142
Special funds	5	342,980	415,653
		6,101,779	5,874,137
Liabilities			
Current Liabilities			
Other financial liabilities	6	-	600,000
Deferred income	7	92,039	962,171
Trade and other payables	8	543,016	76,436
		635,055	1,638,607
Total Equity and Liabilities		6,736,834	7,512,744

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue		2,277,669	3,133,853
Other income	9	110,918	181,736
Operating expenses		(2,136,766)	(3,415,225)
Operating surplus (deficit)		251,821	(99,636)
Investment revenue		48,494	32,050
Surplus (deficit) for the year		300,315	(67,586)

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

Statement of Changes in Equity

Figures in Rand	Special funds	Non distributable land and building reserve	Accumulated surplus	Total funds and reserves
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)	-
Total changes	171,568	50,000	(68,426)	153,142
Balance at 01 January 2014	415,653	4,795,142	663,342	5,874,137
Surplus for the year	-	-	300,315	300,315
Transfer to building reserve	-	50,000	(50,000)	-
Movement in special funds	(72,673)	-	-	(72,673)
Balance at 31 December 2014	342,980	4,845,142	913,657	6,101,779

Note(s)

5

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2014

Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash (used in) generated from operations	11	(22,378)	394,385
Interest income		48,494	32,050
Net cash from operating activities		26,116	426,435
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(33,164)	(41,122)
Cash flows from financing activities			
Repayment of other financial liabilities		(600,000)	(50,000)
Movement in social development funds		36,448	52,521
Movement in bursary fund		(101,621)	101,621
Movement in sports fund		(7,500)	(1,000)
Net cash from financing activities		(672,673)	103,142
Total cash movement for the year		(679,721)	488,455
Cash at the beginning of the year		1,483,775	995,320
Total cash at end of the year	4	804,054	1,483,775

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

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 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 2014

Notes to the Annual Financial Statements

Figures in Rand

2014 2013

2. Property, plant and equipment

	2014		2013	
	Cost / Valuation	Accumulated depreciation and impairments	Cost / Valuation	Accumulated depreciation and impairments
Land	49,824	-	49,824	-
Buildings	5,780,145	-	5,780,145	-
Motor vehicles	238,000	(211,600)	26,400	(164,000)
Computer equipment	413,150	(413,150)	-	(341,300)
Site equipment	74,580	(74,580)	-	(74,580)
Total	6,555,699	(699,330)	5,856,369	(579,880)
			6,522,535	5,942,655

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Land	49,824	-	-	49,824
Buildings	5,746,981	33,164	-	5,780,145
Motor vehicles	74,000	-	(47,600)	26,400
Computer equipment	71,850	-	(71,850)	-
Total	5,942,655	33,164	(119,450)	5,856,369

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)	-
Total	6,025,873	41,122	(124,340)	5,942,655

Details of properties

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

3. Trade and other receivables

Prepayments	19,871	14,872
Deposits	1,000	1,000
VAT	2,691	20,180
Other receivables	52,849	50,262
Total	76,411	86,314

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in Rand

2014 2013

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,653	6,997
Bank balances	21,430	31,963
Short-term deposits	776,971	1,444,815
	804,054	1,483,775

5. Special funds

Bursary Fund

Balance at beginning of year	101,621	-
Add: Funds received	-	153,770
Less: Transferred to Emmanuel	(101,621)	(52,149)
Balance at end of year	-	101,621

Social Development Fund

Balance at beginning of year	263,025	210,504
Add: Funds received	225,693	210,055
Less: Funds applied	(189,245)	(157,534)
Balance at end of year	299,473	263,025

Sports Fund

Balance at beginning of year	19,330	20,330
Less: Funds applied	(7,500)	(1,000)
Balance at end of year	11,830	19,330

Vehicle Fund

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

342,980 **415,653**

6. Other financial liabilities

J McGregor

- 600,000

The loan was written off during the year to donations.

Current liabilities

At amortised cost - 600,000

7. Deferred income

Department of Education	-	65,627
Department of Health Western Cape	61,004	145,042
National Lotteries Board	31,035	751,502
	92,039	1,284,637

Westlake United Church Trust

(Registration number IT 409/2002)

Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
8. Trade and other payables		
Trade payables	44,266	76,436
Westlake Community Foundation	13,229	-
Other payables - Emmanuel Educare Pre-School	485,521	-
	543,016	76,436

9. Income		
Grants	1,194,282	1,851,902
Donations	962,569	663,838
Pre-school fees	-	538,055
Hall hire and administrative income	120,818	80,058
	2,277,669	3,133,853

10. Taxation		
No provision has been made for 2014 tax as the trust is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.		
11. Cash (used in) generated from operations		
Surplus (deficit) before taxation	300,315	(67,586)
Adjustments for:		
Depreciation and amortisation	119,450	124,340
Interest received	(48,494)	(32,050)
Changes in working capital:		
Trade and other receivables	9,903	48,350
Trade and other payables	466,580	(41,135)
Deferred income	(870,132)	362,466
	(22,378)	394,385

Westlake United Church Trust

(Registration number IT 409/2002)
Annual Financial Statements for the year ended 31 December 2014

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue			
Grants		1,194,282	1,851,902
Donations		962,569	663,838
Pre-school fees		-	538,055
Hall hire and administrative income		120,818	80,058
	9	2,277,669	3,133,853
Other income			
Capital donations		50,000	98,541
Interest received		48,494	32,050
Profit on sale of asset		-	18,426
Sundry income		60,918	64,769
		159,412	213,786
Operating expenses			
Advertising		1,067	-
Auditors' remuneration		42,000	40,375
Bank charges		12,434	22,224
Cleaning		15,672	15,593
Computer expenses		31,614	18,326
Consulting and professional fees		15,500	3,000
Depreciation		119,450	124,340
Employee costs		1,454,963	2,428,208
Insurance		42,409	35,642
Motor vehicle expenses		52,146	71,331
Office expenses		18,707	48,152
Pest control		-	5,765
Printing and stationery		28,924	39,832
Project expenses		161,093	175,191
Repairs and maintenance		25,631	152,285
Sports equipment		7,500	-
Staff welfare		4,786	2,961
Telephone and fax		23,844	38,816
Training		8,090	4,032
Travel - local		26,311	51,595
Utilities		44,626	137,557
		2,136,766	3,415,225
Surplus (deficit) for the year		300,315	(67,686)