

EMMANUEL

EDUCARE PRE-SCHOOL

ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2015

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2015

General Information

| | |
|--|---|
| Country of incorporation and domicile | South Africa |
| Trustees | David Barnes Harold Stemmet |
| 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 |
| Auditor's | BDV Platinum Chartered Accountants (S.A.) Registered Auditors |
| PBO number | 930046186 |

Emmanuel Educare Pre-School

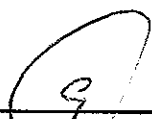
Annual Financial Statements for the year ended 31 December 2015

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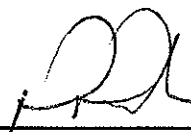
The reports and statements set out below comprise the annual financial statements presented to the governing body:

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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: 28 Jun 2016

Independent Auditor's Report

To the Governing Body of the Emmanuel Educare Pre-School

We have audited the annual financial statements of Emmanuel Educare Pre-School, as set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2015, 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 these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the South African Schools Act 84 of 1996, and for such internal control as the governing body determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

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 school'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 school'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 the International Financial Reporting Standard for Small and Medium-sized Entities, 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 present fairly, in all material respects, the financial position of Emmanuel Educare Pre-School as at 31 December 2015, 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, and the requirements of the South African Schools Act 84 of 1996.



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

Date: 28 JUNE 2016
Westlake

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

| Figures in Rand | Note(s) | 2015 | 2014 |
|-------------------------------------|---------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Trade and other receivables | 2 | 458,632 | 504,721 |
| Cash and cash equivalents | 3 | 17,244 | 12,618 |
| | | 475,876 | 517,339 |
| Total Assets | | 475,876 | 517,339 |
| Equity and Liabilities | | | |
| Equity | | | |
| Bursary fund | | 104,843 | 110,514 |
| Accumulated surplus | | 263,924 | 312,470 |
| | | 368,767 | 422,984 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 4 | 116,709 | 94,355 |
| Total Equity and Liabilities | | 485,476 | 517,339 |

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Annual Financial Statements for the year ended 31 December 2015

Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2015 | 2014 |
|---|---------|------------------|------------------|
| Income | | | |
| School fees | | 735,571 | 587,872 |
| Other income | | | |
| Donations received | | 76,384 | 110,347 |
| National Lottery Board grant | | - | 491,000 |
| Western Cape Department of Social Development grant | | 275,040 | 269,280 |
| Western Cape Education Department grant | | 363,330 | 384,120 |
| | | 714,754 | 1,254,747 |
| Expenses | | | |
| Auditors remuneration | | 5,417 | - |
| Bank charges | | 9,603 | 7,675 |
| Consumables | | 4,304 | 4,194 |
| Facilities and equipment | | 82,737 | 81,423 |
| Groceries and cleaning | | 82,938 | 83,951 |
| Motor vehicle expenses | | 19,494 | 21,955 |
| Municipal expenses | | 45,626 | 36,979 |
| Pest control | | 7,850 | 9,200 |
| Printing and stationery | | 9,555 | 10,295 |
| Rent paid | | 36,000 | 36,000 |
| Repairs and maintenance | | 6,721 | 20,193 |
| Salaries and wages | | 1,177,277 | 1,204,821 |
| Telephone and fax | | 9,600 | 9,600 |
| Training | | 1,750 | 3,865 |
| | | 1,498,871 | 1,530,149 |
| (Deficit)/Surplus for the year | | (48,546) | 312,470 |

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

| Figures in Rand | Bursary fund | Accumulated surplus | Total equity |
|--|----------------|---------------------|-----------------|
| Surplus for the year | - | 312,470 | 312,470 |
| Bursary fund | 110,514 | - | 110,514 |
| Total comprehensive income for the year | 110,514 | 312,470 | 422,984 |
| Balance at 01 January 2015 | 110,514 | 312,470 | 422,984 |
| Deficit for the year | - | (48,546) | (48,546) |
| Bursary fund | (5,671) | - | (5,671) |
| Total comprehensive loss for the year | (5,671) | (48,546) | (54,217) |
| Balance at 31 December 2015 | 104,843 | 263,924 | 368,767 |
| Note(s) | 6 | | |

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2015

Statement of Cash Flows

| Figures in Rand | Note(s) | 2015 | 2014 |
|---|---------|---------------|---------------|
| Cash flows from operating activities | | | |
| Cash generated from (used in) operations | 5 | 19,897 | (97,896) |
| Cash flows from financing activities | | | |
| Movement in funds | | (5,671) | 110,514 |
| Total cash movement for the year | | 14,226 | 12,618 |
| Cash at the beginning of the year | | 12,618 | - |
| Total cash at end of the year | 3 | 26,844 | 12,618 |

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2015

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, and the South African Schools Act 84 of 1996. 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 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 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, cash at bank and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 Income

Income comprises of school fees, donations, government and other grants.

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 2015

Notes to the Annual Financial Statements

| | 2015 | 2014 |
|--|----------------|-----------------|
| 2. Trade and other receivables | | |
| Fees receivable | 8,850 | 19,200 |
| Other receivable - Westlake United Church Trust | 449,782 | 485,521 |
| | 458,632 | 504,721 |
| 3. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 6,118 | 2,425 |
| Bank balances | 11,126 | 10,193 |
| | 17,244 | 12,618 |
| 4. Trade and other payables | | |
| Fees received in advance | 8,700 | 6,590 |
| Accruals and provisions | 549 | 14,325 |
| Western Cape Education Department grant advance | 107,460 | 73,440 |
| | 116,709 | 94,355 |
| 5. Cash generated from (used in) operations | | |
| (Deficit)/Surplus for the year | (48,546) | 312,470 |
| Changes in working capital: | | |
| Trade and other receivables | 46,089 | (504,721) |
| Trade and other payables | 22,354 | 94,353 |
| | 19,897 | (97,896) |
| 6. Bursary fund | | |
| Balance at the beginning of year | 110,514 | 101,621 |
| Funds received | 122,280 | 63,850 |
| Funds utilised | (127,951) | (54,957) |
| Balance at the end of year | 104,843 | 110,514 |