

**EMMANUEL EDUCARE PRE-SCHOOL
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016**

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

General Information

Country of incorporation and domicile	South Africa
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 Limited
Auditors	BDV Platinum Chartered Accountants (SA) Registered Auditors
PBO number	930046186
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the South African Schools Act 84 of 1996.

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

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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 GOVERNING BODY

The members of the governing body at the date of signing these annual financial statements are:


F. Mbesi (Chairperson)	S. Marshall (Deputy-chairperson)
A. Preston (Secretary)	R. Saner (General manager)
M. Nchupetsang (Bursary committee)	D. Solomons (Bursary committee)
T. James (Bursary committee)	L. Sias (Bursary committee)
S. Prince	H. Mvalo
C. Van Wyk	I. Matroos
T. Dlepu	S. Muthelo
P. Abrahams	Y. Zinja
D. Du Plessis	H. Stemmet
H. Albertus (Principal)	

Approval and statement of responsibility


The governing body is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the basis of accounting as described in note 1 to the annual financial statements and in the manner required by the South African Schools Act 84 of 1996.

The governing body is also responsible for the school's system of internal financial control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the governing body to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review


The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the governing body and were signed on its behalf by:



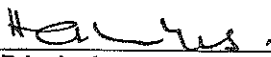
Chairperson



Secretary



General manager



Principal

Date: 20/9/2017

Independent Auditor's Report

To the Governing Body of the Emmanuel Educare Pre-School

Opinion

We have audited the annual financial statements of Emmanuel Educare Pre-School set out on pages 5 to 11, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Emmanuel Educare Pre-School as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as described in note 1 to the annual financial statements and the requirements of the South African Schools Act 84 of 1996.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the school in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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.

Responsibilities of the Governing Body for the Annual Financial Statements

The governing body is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting as described in note 1 to the annual financial statements and the 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 misstatement, whether due to fraud or error.

In preparing the annual financial statements, the governing body are responsible for assessing the school's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governing body either intend to liquidate the school or to cease operations, or have no realistic alternative but to do so.

BDV Platinum Professional Services incorporated

Company Reg No: 2014/122739/21 | **VAT No:** 4140194244

Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7945

Postal Address: PO Box 31406 | Tokai 7966 | **Email:** admin@bdvplatinum.com

Telephone: 021 701 7620 | **Fax:** 086 639 9572 | **Web:** www.bdvplatinum.com

Directors: Carel Braam de Vries, Mark Dawson, Imtiaaz Anthony

Practice No: 903104

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- Conclude on the appropriateness of the governing body use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the school's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the school to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BDV Platinum
Director - Braam De Vries
Chartered Accountants (SA)
Registered Auditors

20/09/2017

Date

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Current Assets			
Trade and other receivables	2	414,715	458,632
Cash and cash equivalents	3	14,610	17,244
		429,325	475,876
Total Assets		429,325	475,876
Equity and Liabilities			
Equity			
Bursary fund	6	75,919	104,843
Accumulated surplus		260,224	254,324
		336,143	359,167
Liabilities			
Current Liabilities			
Trade and other payables	4	93,182	116,709
Total Equity and Liabilities		429,325	475,876

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Income			
School fees		778,785	735,571
Other income			
Donations received		169,143	76,384
Western Cape Department of Social Development grant		284,880	275,040
Western Cape Education Department grant		317,790	363,330
		771,813	714,754
Expenses			
Auditor's remuneration		5,415	5,417
Bank charges		8,482	9,602
Consumables		4,162	4,304
Facilities and equipment		55,366	82,737
Groceries and cleaning		86,275	82,938
Motor vehicle expenses		21,041	19,494
Municipal expenses		60,177	45,626
Pest control		7,975	7,850
Printing and stationery		11,117	9,555
Rent paid		36,000	36,000
Repairs and maintenance		3,471	6,721
Salaries and wages		1,233,177	1,177,277
Telephone and fax		9,600	9,600
Training		2,440	1,750
		1,544,698	1,498,871
Surplus (Deficit) for the year		5,900	(48,546)

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

Figures in Rand	Bursary fund	Accumulated surplus	Total equity
Balance at 01 January 2015	110,514	302,870	413,384
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 01 January 2016	104,843	254,324	359,167
Surplus for the year	-	5,900	5,900
Bursary fund	(28,924)	-	(28,924)
Total comprehensive income for the year	(28,924)	5,900	(23,024)
Balance at 31 December 2016	75,919	260,224	336,143

Note(s)

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Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	5	26,290	10,297
Cash flows from financing activities			
Movement in funds		(28,924)	(5,671)
Total cash movement for the year		(2,634)	4,626
Cash at the beginning of the year		17,244	12,618
Total cash at end of the year	3	14,610	17,244

Emmanuel Educare Pre-School

Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

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 have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Classification

The school classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit
- Loans and receivables at cost
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through profit or loss category..

Initial recognition and measurement

Financial instruments are recognised initially when the school becomes a party to the contractual provisions of the instruments.

The school classifies financial instruments, or their component parts, on the initial recognition as a financial asset or a financial liability in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at cost.

Investments held are initially recorded at cost.

Financial liabilities include trade and other payables which are initially recorded at cost.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at cost, less accumulated impairment losses.

Investments are subsequently measured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in surplus or deficit.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

1.2 Trade and other receivables

Trade and other receivables are initially and subsequently measured at cost, less provisions for bad and doubtful debts.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances initially and subsequently recorded at historical cost and are not revalued.

1.4 Trade and other payables

Trade payables are initially and subsequently measured at cost.

1.5 Equity

Equity is the residual interest in the assets of the school after deducting all of its liabilities.

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Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

1.6 Bursary fund

The bursary fund is used for providing bursaries to deserving learners.

During the year income and expenditure transactions which relate to the bursary fund are posted directly to the fund.

1.7 Revenue

School fee income and rental income are recognised on an invoice basis. The recognition of school fees received in advance is deferred until such time as the school is entitled to recognise that revenue, i.e. when the school year starts.

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

Government grants are recognised, in surplus or deficit, when the school's right to receive payment has been established.

Other income is recognised in surplus or deficit on receipt.

1.8 Expenses

Expenses represent all of the administration, operating and management expenses for the school and are recognised on an accrual basis.

1.9 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 leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered.

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Annual Financial Statements for the year ended 31 December 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
2. Trade and other receivables		
Fees receivable	11,901	8,850
Other receivable - Westlake United Church Trust	402,714	449,782
Sundry receivable	100	-
	414,715	458,632
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	634	6,118
Bank balances	13,976	11,126
	14,610	17,244
4. Trade and other payables		
Fees received in advance	8,950	8,700
Accruals and provisions	712	549
Western Cape Education Department grant advance	83,520	107,460
	93,182	116,709
5. Cash generated from operations		
(Deficit)/Surplus for the year	5,900	(48,546)
Changes in working capital:		
Trade and other receivables	43,917	36,489
Trade and other payables	(23,527)	22,354
	26,290	10,297
6. Bursary fund		
Balance at the beginning of year	104,843	110,514
Funds received	88,270	122,280
Funds utilised	(117,194)	(127,951)
Balance at the end of year	75,919	104,843