

**FAMSA - Family and Marriage Society of  
South Africa (Western Cape)**  
(Registration number NPO: 002-888)  
Annual financial statements  
for the year ended 31 March 2009

**Bredell Brink & Co**  
Chartered Accountants (S.A.)  
Registered Auditor

# **FAMSA - Family and Marriage Society of South Africa (Western Cape)**

(Registration number NPO: 002-888)  
Annual Financial Statements for the year ended 31 March 2009

## **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Family and Marriage Society
<b>Executive Committee</b>	Mr G Chetty (Chairperson) Mr P Beauchamp (Vice-Chairperson) Mr HF Mulder (Treasurer) Mr S Dias Mr E McClusky
<b>Registered office</b>	9 Bowden Road Observatory 7925
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	Bredell Brink & Co Chartered Accountants (S.A.) Registered Auditor
<b>Registration number</b>	NPO: 002-888
<b>Tax reference number</b>	9170/860/15/0

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

(Registration number NPCO: 002-888)  
Annual Financial Statements for the year ended 31 March 2009

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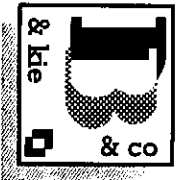
The reports and statements set out below comprise the annual financial statements presented to the members:

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The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the Executive Committee on 12/5/2009 and were signed on its behalf by:

  
\_\_\_\_\_  
Mr HF Mulder (Treasurer)

  
\_\_\_\_\_  
Mr G Chetty (Chairperson)



# Bredell Brink & Kie/Co

Geoktrooieerde Rekenmeesters (S.A.) - Chartered Accountants (S.A.)

Erste Ln 440, Boston, Posbus 344, Bellville, 7535, Tel (021) 948-4026 Faks (021) 948-4027

## Report of the Independent Auditors

To the members of FAMSА - Family and Marriage Society of South Africa (Western Cape)

We have audited the annual financial statements of FAMSА - Family and Marriage Society of South Africa (Western Cape), which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 14.

### Directors' Responsibility for the Annual Financial Statements

The society's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with gaap, and in the manner required by the Non-Profit Organisations Act, 1997. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

### 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 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.

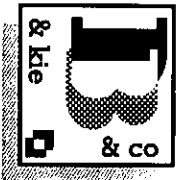
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisations to institute adequate accounting controls over cash collections for donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examinations 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 FAMSА - Family and Marriage Society of South Africa (Western Cape) as at 31 March 2009, and its financial performance and cash flows for the year then ended in accordance with gaap, and in the manner required by the Non-Profit Organisations Act, 1997.



# Bredell Brink & Kie/Co

Geektrooieerde Rekenmeesters (S.A.) - Chartered Accountants (S.A.)

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## Report of the Independent Auditors

### Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the 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.

*Bredell Brink + Co.*  
Bredell Brink & Co  
Chartered Accountants (S.A.)  
Registered Auditor

12/8/2009

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

(Registration number NPC: 002-888)  
Annual Financial Statements for the year ended 31 March 2009

## Balance Sheet

	2009		2008	
	R		R	
	Note(s)			
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	2	4,288,111	3,935,669	
Other financial assets	3	9,608	9,608	
		<u>4,297,719</u>	<u>3,945,277</u>	
<b>Current Assets</b>				
Trade and other receivables		59,759	73,437	
Cash and cash equivalents	4	2,825,105	2,259,462	
		<u>2,884,864</u>	<u>2,332,899</u>	
<b>Total Assets</b>		<u>7,182,583</u>	<u>6,278,176</u>	
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Trust funds	5	3,000	3,000	
Reserves		4,569,554	4,932,281	
Retained income		1,646,387	976,435	
		<u>6,218,941</u>	<u>5,911,716</u>	
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	8	963,642	366,460	
<b>Total Equity and Liabilities</b>		<u>7,182,583</u>	<u>6,278,176</u>	

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

(Registration number NPC: 002-888)

Annual Financial Statements for the year ended 31 March 2009

## Income Statement

	2009	2008
	R	R
	Notes(s)	
<b>Revenue</b>		
Department of Social Development Western Cape	3,211,369	2,692,199
General and Specific Fund Raising, Donations and Poverty Relief	204,342	543,931
Grants : Western Cape Community Chest	325,896	314,990
HIV Aids Project: Department of Health Western Cape	1,342,769	1,494,442
National Lottery Distribution Trust Fund funding	620,287	507,437
Professional Services and Educational Work	674,526	578,554
Subscriptions	355	1,195
	<b>6,379,544</b>	<b>6,132,748</b>
<b>Other income</b>		
Dividend revenue	397	329
Interest received	7,993	34,462
Other income	4,280	7,190
	<b>12,670</b>	<b>41,981</b>
<b>Operating expenses</b>		
Advertising	(295)	-
Affiliation and Registration fees	(5,160)	(3,543)
Aftercare expenses - Khayalitsha House	(18,942)	-
Auditors remuneration	(21,500)	(23,000)
Bank charges	(16,684)	(16,466)
Corporate contracts	-	(962)
Depreciation	(112,947)	(100,235)
Fines and penalties	-	(5,369)
IT expenses	(50,719)	(34,696)
Insurance	(57,018)	(43,781)
Lease rentals on operating lease	(37,632)	(87,750)
Library books written off	(4,600)	(7,793)
Loss of money due to fraud	(58,430)	-
Motor vehicle expenses	(45,431)	(43,068)
Printing, Stationery and Advertising	(98,915)	(67,105)
Professional services	(45,916)	(46,087)
Project Funding - HIV Aids, Domestic Violence, Family Foundation and Poverty Relief	(831,442)	(972,956)
Repairs and maintenance	(109,321)	(66,650)
Salaries : Sessional workers	(289,532)	(256,400)
Salaries, Pension, Medical Aid and UIF	(4,080,318)	(3,333,933)
Security	(7,599)	(4,775)
Telephone and fax	(155,366)	(156,958)
Travel - local	(33,044)	(24,365)
Utilities	(47,131)	(23,190)
	<b>(6,127,942)</b>	<b>(5,319,082)</b>
<b>Surplus for the year</b>	<b>264,272</b>	<b>855,647</b>

## FAMSA - Family and Marriage Society of South Africa (Western Cape)

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### Statement of Changes in Equity

	Trust funds	Specific Funds	Non-distributable reserve	Total reserves	Retained income	Total equity
	R	R	R	R	R	R
<b>Balance at 01 April 2007</b>	<b>3,000</b>	<b>1,256,365</b>	<b>2,020,887</b>	<b>3,277,252</b>	<b>120,788</b>	<b>3,401,040</b>
Changes in equity						
Khayalitsha House Building Fund - funding received from the National Lottery Distribution Trust Fund		1,622,649		1,622,649		1,622,649
Building project costs incurred during the year		(1,916,251)	1,916,251	-		-
Food Parcel Fund - funding received from the Department of Social Services		216,000		216,000		216,000
Food Parcel Fund - project costs incurred during the year		(222,727)		(222,727)		(222,727)
Net income (expenses) recognised directly in equity	-	(300,329)	1,916,251	1,615,922	-	1,615,922
Surplus for the year				-	855,647	855,647
Total recognised income and expenses for the year	-	(300,329)	1,916,251	1,615,922	855,647	2,471,569
Capitalisation of interest received to the Khayalitsha House Building Fund		39,107		39,107		39,107
Total changes	-	(261,222)	1,916,251	1,655,029	855,647	2,510,676
<b>Balance at 01 April 2008</b>	<b>3,000</b>	<b>995,143</b>	<b>3,937,138</b>	<b>4,932,281</b>	<b>976,435</b>	<b>5,911,716</b>
Changes in equity						
Building project costs incurred during the year		(174,231)	174,231	-		-
Food Parcel Fund - funding received from the Department of Social Services		116,696		116,696		116,696
Food Parcel Fund - project costs incurred during the year		(114,764)		(114,764)		(114,764)
Net income (expenses) recognised directly in equity	-	(172,299)	174,231	1,932	-	1,932
Surplus for the year					264,272	264,272
Total recognised income and expenses for the year	-	(172,299)	174,231	1,932	264,272	266,204
Capitalisation of interest received to the Building Fund		41,022		41,022		41,022
Interest received allocated to the Building Fund transferred to Retained Income		(231,528)		(231,528)	231,527	(1)
Reallocation of Family Foundation funds received to Retained Income		(174,153)		(174,153)	174,153	-
Total changes	-	(536,958)	174,231	(362,727)	669,952	307,225
<b>Balance at 31 March 2009</b>	<b>3,000</b>	<b>458,185</b>	<b>4,111,369</b>	<b>4,569,554</b>	<b>1,646,387</b>	<b>6,218,941</b>
Note(s)	5	6	7			



# FAMSA - Family and Marriage Society of South Africa (Western Cape)

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## Cash Flow Statement

	2009		2008	
	R		R	
	Note(s)			
<b>Cash flows from operating activities</b>				
Cash receipts from customers	6,392,214	6,471,770		
Cash paid to suppliers and employees	(5,412,526)	(6,090,291)		
Cash generated from operations	979,688	381,479		
Interest income	7,993	34,462		
Dividends received	397	329		
<b>Net cash from operating activities</b>	<b>988,078</b>	<b>416,270</b>		
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(465,389)	(1,948,851)		
<b>Cash flows from financing activities</b>				
(Decrease)/Increase in Specific Funds	(131,277)	(261,221)		
Increase in Non-Distributable Reserve	174,231	1,916,250		
<b>Net cash from financing activities</b>	<b>42,954</b>	<b>1,655,029</b>		
<b>Total cash movement for the year</b>	<b>565,643</b>	<b>122,448</b>		
Cash at the beginning of the year	2,259,462	2,137,014		
<b>Total cash at end of the year</b>	<b>2,825,105</b>	<b>2,259,462</b>		

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

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Annual Financial Statements for the year ended 31 March 2009

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with gaap, and the Non-Profit Organisations Act, 1997. 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 Property, plant and equipment

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.

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

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
Furniture and fixtures	4 years
Motor vehicles	5 years
IT equipment	4 years
Library books	Written down to a nominal value of R1

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

#### 1.2 Financial instruments

##### Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, 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.

#### 1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

#### 1.4 Employee benefits

##### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

# **FAMSA - Family and Marriage Society of South Africa (Western Cape)**

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## **Accounting Policies**

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### **1.5 Government and other grants**

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the income statement (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

### **1.6 Revenue**

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

Revenue is generally recognised when it is probable that economic benefits will flow to the organisation and the amount of revenue and cost in respect of the transaction can be measured reliably.

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

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## Notes to the Annual Financial Statements

2009	2008
R	R

### 2. Property, plant and equipment

	2009		2008			
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	3,984,294	-	3,984,294	3,810,063	-	3,810,063
Furniture and fixtures	184,511	(164,967)	19,544	146,174	(140,831)	5,343
IT equipment	168,812	(148,872)	19,940	154,244	(124,687)	29,557
Library books	1	-	1	1	-	1
Motor vehicles	570,086	(305,754)	264,332	331,832	(241,127)	90,705
<b>Total</b>	<b>4,907,704</b>	<b>(619,593)</b>	<b>4,288,111</b>	<b>4,442,314</b>	<b>(506,645)</b>	<b>3,935,669</b>

### Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Depreciation	Total
Buildings	3,810,063	174,231	-	3,984,294
Furniture and fixtures	5,343	38,336	(24,135)	19,544
IT equipment	29,557	14,568	(24,185)	19,940
Library books	1	-	-	1
Motor vehicles	90,705	238,254	(64,627)	264,332
	<b>3,935,669</b>	<b>465,389</b>	<b>(112,947)</b>	<b>4,288,111</b>

### Details of properties

Land and buildings situate 9 Bowden Road, Observatory, erf 27127, in extent 1420 square meters.

Secured in terms of a mortgage bond. Refer Note 14.

- Purchase price: 2001	594,065	594,065
- Capitalised expenditure	700,964	700,964
	<b>1,295,029</b>	<b>1,295,029</b>

Vacant land being erven 29435, 29436 and 29454, Khayalitsha, in extent 589 square meters.

- Purchase price: 2001	56,881	56,881
- Capitalised expenditure	2,632,384	2,468,153
	<b>2,689,265</b>	<b>2,525,034</b>

To date, FAMSA (Western Cape) has been granted R3 158 222 from the National Lottery Board to construct an office in Khayalitsha.

### 3. Other financial assets

<b>At fair value</b>		
475 Sanlam shares - Listed shares	9,608	9,608

<b>Non-current assets</b>		
At fair value	9,608	9,608

The fair values of listed or quoted investments are based on the quoted market price at balance sheet date.

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

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## Notes to the Annual Financial Statements

	2009	2008
	R	R

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	12,316	3,390
Bank balances	2,203,035	1,830,889
Short-term deposits	609,754	425,183
	<b>2,825,105</b>	<b>2,259,462</b>

### Comprising:

Specific Funds	861,934	1,001,870
Trust funds	3,000	3,000
Other	1,960,171	1,254,592
	<b>2,825,105</b>	<b>2,259,462</b>

### 5. Trust funds

Barbara Zuidmeer Trust	1,000	1,000
Barbara Zuidmeer Library Trust	1,000	1,000
Elaine Rutledge Fund	1,000	1,000
	<b>3,000</b>	<b>3,000</b>

### 6. Specific funds

Funds raised and donations received for specific projects are credited directly to these funds. These consists of :

Khayalitsha House Building Fund	386,554	925,444
Food Parcel Fund	19,620	17,688
Capital Expenditure Fund	25,911	25,911
Development of Trauma Service Fund	15,000	15,000
Development Projects	7,500	7,500
Training Fund	3,600	3,600
	<b>458,185</b>	<b>995,143</b>

### Movements/changes in funds during the year:

<b>Khayalitsha House Building Fund</b>		
Balance at beginning of the year	925,444	1,179,939
Add: Funding from National Lottery Distribution Trust Fund	-	1,622,649
Less: Building project costs incurred	(174,231)	(1,916,251)
Add: Transfer interest received from income statement	41,022	39,107
Less: Interest received transferred to Retained Income	(231,528)	-
Less: Family Foundation funds transferred to Retained Income	(174,153)	-
	<b>386,554</b>	<b>925,444</b>

### Food Parcel Fund

Balance at beginning of the year	17,688	24,415
Additions	116,696	216,000
Less : Payments	(114,764)	(222,727)
	<b>19,620</b>	<b>17,688</b>

# FAMSA - Family and Marriage Society of South Africa (Western Cape)

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## Notes to the Annual Financial Statements

	2009 R	2008 R
<b>7. Non-Distributable reserve</b>		
Building Fund - fixed property	3,942,934	3,768,703
Motor vehicle - Condor	168,435	168,435
	<b>4,111,369</b>	<b>3,937,138</b>

<b>8. Trade and other payables</b>		
Trade payables		
Amounts received in advance	24,715	29,526
	938,927	336,934
	<b>963,642</b>	<b>366,460</b>

### Reconciliation of Amounts received in advance:

Department of Social Development	117,604	328,987
City Council of Cape Town	-	7,947
National Lottery Distribution Trust Fund	718,683	-
Domestic Violence project	45,274	-
Sisonke beading project	57,366	-
	<b>938,927</b>	<b>336,934</b>

Amounts received in advance represents a portion of the funding received during the year relating to project expenditure to be incurred after year end.

During the year, the organisation received an amount of R1 338 970 from the National Lottery Distribution Trust Fund. An amount of R718 683 will be utilised in the next financial year with regards to expenses being incurred for the project.

<b>9. Investment revenue</b>		
Dividend revenue		
Listed financial assets - Local	397	329
Interest revenue		
Bank	7,993	34,462
	<b>8,390</b>	<b>34,791</b>

**10. Taxation**  
The income tax rate of 29% in 2008 was reduced to 28% in 2009.

No provision has been made for 2009 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R NIL (2008: R NIL).

<b>11. Auditors' remuneration</b>		
Fees	21,500	25,000
Adjustment for previous year	-	(2,500)
Expenses	-	500
	<b>21,500</b>	<b>23,000</b>

## FAMSA - Family and Marriage Society of South Africa (Western Cape)

(Registration number NPO: 002-888)  
Annual Financial Statements for the year ended 31 March 2009

### Notes to the Annual Financial Statements

	2009	2008
	R	R
<b>12. Cash generated from operations</b>		
Profit before taxation	264,272	855,647
<b>Adjustments for:</b>		
Depreciation	112,947	100,235
Dividends received	(397)	(329)
Interest received	(7,993)	(34,462)
<b>Changes in working capital:</b>		
Trade and other receivables	13,677	4,359
Trade and other payables	597,182	(543,971)
	<b>979,688</b>	<b>381,479</b>

### 13. Contingencies

The first mortgage bond over the immovable property is registered with ABSA Bank Limited for R150 000. This loan was raised to cover short term shortages. All FAMSA's right, title and interest in Multimark 111 policy with Mutual and Federal was ceded to ABSA Bank Limited. Refer Note 2.

### 14. HIV Aids Project : Provincial Administration Western Cape

Department of Health; Metropole Region	1,334,822	1,335,166
Other staff and Travel subsidies	7,947	159,276
	<b>1,342,769</b>	<b>1,494,442</b>