

**FAMSA - Family and Marriage Society of
South Africa (Western Cape)**
(Registration number NPO: 002-888)
Annual financial statements
for the year ended 31 March 2010

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

FA MSA - Family and Marriage Society of South Africa (Western Cape)

(Registration number NPO: 002-888)

Annual Financial Statements for the year ended 31 March 2010

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Family and Marriage Society
Executive Committee	Mr G Chetty (Chairperson) Mr P Beauchamp (Vice-Chairperson) Mr HF Mulder (Treasurer) Mr S Dias Mr C James
Registered office	9 Bowden Road Observatory 7925
Bankers	ABSA Bank Limited
Auditors	Bredell Brink & Co Chartered Accountants (S.A.) Registered Auditor
Registration number	NPO: 002-888
Tax reference number	917086015/0

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

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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 13, which have been prepared on the going concern basis, were approved by the Executive Committee on 02 AUGUST 2010 and were signed on its behalf by:


Mr HF Mulder (Treasurer)


Mr G Chetty (Chairperson)



Bredell Brink & Kie/Co

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

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

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Report of the Independent Auditors

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

We have audited the annual financial statements of FAMSA - Family and Marriage Society of South Africa (Western Cape), which comprise the balance sheet as at 31 March 2010, 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 13.

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 FAMSA - Family and Marriage Society of South Africa (Western Cape) as at 31 March 2010, 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

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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 13 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
Chartered Accountants (S.A.)
Registered Auditor

02 AUGUST 2010

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

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Annual Financial Statements for the year ended 31 March 2010

Balance Sheet

	Note(s)	2010 R	2009 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	4,225,326	4,288,111
Other financial assets	3	9,608	9,608
		4,234,934	4,297,719
Current Assets			
Trade and other receivables		37,683	59,761
Cash and cash equivalents	4	7,551,865	2,825,105
		7,589,548	2,884,866
Total Assets		11,824,482	7,182,585
Equity and Liabilities			
Equity			
Trust funds		3,000	3,000
Reserves		4,172,012	4,569,554
Retained income		2,592,047	1,646,390
		6,767,059	6,218,944
Liabilities			
Current Liabilities			
Trade and other payables	6	5,057,423	963,641
Total Equity and Liabilities		11,824,482	7,182,585

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

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Annual Financial Statements for the year ended 31 March 2010

Income Statement

		2010	2009
	Note(s)	R	R
Revenue			
Department of Social Development Western Cape		2,972,777	3,211,369
General and Specific Fund Raising		1,371,687	204,342
Grants : Western Cape Community Chest		325,896	325,896
HIV Aids Project: Department of Health Western Cape	13	1,480,951	1,342,769
National Lottery Distribution Trust Fund funding	6	718,683	620,287
Professional Services and Educational Work		749,575	674,526
Subscriptions		270	355
		7,619,839	6,379,544
Other income			
Dividend revenue	7	418	397
Interest received	7	110,454	7,993
Other income		3,480	4,280
Insurance refunds received		13,664	-
		128,016	12,670
Operating expenses			
Affiliation and Registration fees		(2,859)	(5,160)
Auditors remuneration	9	(21,500)	(21,500)
Bank charges		(25,301)	(16,684)
Depreciation		(103,688)	(112,947)
Employee costs (non-funded posts)	14	(969,821)	(825,375)
General expenses		(56,654)	-
IT expenses		(70,111)	(50,719)
Insurance		(68,584)	(57,018)
Lease rentals on operating lease		(42,895)	(37,632)
Library books written off		(1,640)	(4,600)
Loss of money due to fraud		-	(58,430)
Motor vehicle expenses		(46,389)	(45,431)
Pension, Medical aid and UIF contributions		(313,725)	(242,973)
Printing and stationery		(110,447)	(99,210)
Professional services		(34,603)	(45,916)
Project funded expenses	14	(4,984,096)	(4,151,884)
Repairs and maintenance		(64,570)	(109,321)
Security		(10,093)	(7,599)
Telephone and fax		(191,491)	(156,366)
Travelling expenses		(28,058)	(33,044)
Utilities		(42,227)	(47,131)
		(7,188,752)	(6,127,940)
Surplus for the year		559,103	264,274

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Annual Financial Statements for the year ended 31 March 2010

Statement of Changes in Equity

	Trust funds	Specific Funds	Non-distributable reserve	Total reserves	Retained income	Total equity
	R	R	R	R	R	R
Balance at 01 April 2008	3,000	995,143	3,937,138	4,932,281	976,435	5,911,716
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				-	264,274	264,274
Total recognised income and expenses for the year	-	(172,299)	174,231	1,932	264,274	266,206
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)	231,528	-
Reallocation of Family Foundation funds received to Retained Income		(174,153)		(174,153)	174,153	-
Total changes	-	(536,958)	174,231	(362,727)	669,955	307,228
Balance at 01 April 2009	3,000	458,185	4,111,369	4,569,554	1,646,390	6,218,944
Changes in equity						
Food Parcel Fund - funding received from the Department of Social Services		198,000		198,000		198,000
Food Parcel Fund - project costs incurred during the year		(208,988)		(208,988)		(208,988)
Net income (expenses) recognised directly in equity	-	(10,988)	-	(10,988)	-	(10,988)
Surplus for the year					559,103	559,103
Total recognised income and expenses for the year	-	(10,988)	-	(10,988)	559,103	548,115
Transferring the balance of the Building Fund to Retained Income		(386,554)		(386,554)	386,554	-
Total changes	-	(397,542)	-	(397,542)	945,657	548,115
Balance at 31 March 2010	3,000	60,643	4,111,369	4,172,012	2,592,047	6,767,059

Note(s)

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

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Annual Financial Statements for the year ended 31 March 2010

Cash Flow Statement

	Note(s)	2010 R	2009 R
Cash flows from operating activities			
Cash receipts from customers		7,619,839	6,392,214
Cash paid to suppliers and employees		(2,952,064)	(5,412,526)
Cash generated from operations	10	4,667,775	979,688
Interest Income		110,454	7,993
Dividends received		418	397
Net cash from operating activities		4,778,647	988,078
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(40,903)	(465,389)
Cash flows from financing activities			
(Decrease)/Increase in Specific Funds		(10,984)	(131,277)
Increase in Non-Distributable Reserve		-	174,231
Net cash from financing activities		(10,984)	42,954
Total cash movement for the year			
Cash at the beginning of the year		4,726,760	565,643
		2,825,105	2,259,462
Total cash at end of the year	4	7,551,865	2,825,105

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Annual Financial Statements for the year ended 31 March 2010

Accounting Policies

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.

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Annual Financial Statements for the year ended 31 March 2010

Accounting Policies

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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Annual Financial Statements for the year ended 31 March 2010

Notes to the Annual Financial Statements

2010	2009
R	R

2. Property, plant and equipment

	2010		2009			
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	3,984,294	-	3,984,294	3,984,294	-	3,984,294
Furniture and fixtures	195,134	(176,168)	18,966	184,511	(164,967)	19,544
IT equipment	199,091	(174,126)	24,965	168,812	(148,872)	19,940
Library books	1	-	1	1	-	1
Motor vehicles	570,086	(372,986)	197,100	570,086	(305,754)	264,332
Total	4,948,606	(723,280)	4,225,326	4,907,704	(619,593)	4,288,111

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Depreciation	Total
Buildings	3,984,294	-	-	3,984,294
Furniture and fixtures	19,544	10,623	(11,201)	18,966
IT equipment	19,940	30,280	(25,255)	24,965
Library books	1	-	-	1
Motor vehicles	264,332	-	(67,232)	197,100
	4,288,111	40,903	(103,688)	4,225,326

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

- Capitalised expenditure

594,065	594,065
700,964	700,964
1,295,029	1,295,029

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

- Purchase price: 2001

- Capitalised expenditure

56,881	56,881
2,632,384	2,632,384
2,689,265	2,689,265

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

At fair value

475 Sanlam shares - Listed shares

9,608	9,608
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Non-current assets

At fair value

9,608	9,608
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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

	2010	2009
	R	R

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	54,617	12,316
Bank balances	5,789,335	2,203,035
Short-term deposits	1,707,913	609,754
	7,551,865	2,825,105

Comprising:

Specific Funds	60,643	861,934
Trust funds	3,000	3,000
Other	7,488,222	1,960,171
	7,551,865	2,825,105

5. Non-Distributable reserve

Building Fund - fixed property	3,942,934	3,942,934
Motor vehicle - Condor	168,435	168,435
	4,111,369	4,111,369

6. Trade and other payables

Trade payables	22,133	24,714
Amounts received in advance	5,035,290	938,927
	5,057,423	963,641

Reconciliation of Amounts received in advance:

Department of Social Development	-	117,604
National Lottery Distribution Trust Fund	5,035,290	718,683
Domestic Violence project	-	45,274
Sisonke beading project	-	57,366
	5,035,290	938,927

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

The amount of R718 683 which was part of an amount of R1 338 970 received in the prior year, was transferred to the income statement during the year. The organisation received a further amount of R5 035 290 towards the end of the year which will be utilised in the next financial year for the following projects -

Grant Agreement:

- Food parcels for HIV and clients	101,280	-
- Maintenance and repairs (property)	88,090	-
- Maintenance and repairs (vehicles)	55,470	-
- Personnel salaries and benefits	370,000	-
- Water, lights and rates	100,000	-
- IT expenses	43,890	-
- Domestic Violence Project	148,320	-
- Khayalitsha Office project	183,900	-
- Family Foundation project	587,480	-
- Building extensions	3,356,860	-
	5,035,290	-

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Notes to the Annual Financial Statements

	2010	2009
	R	R

7. Investment revenue		
Dividend revenue	418	397
Listed financial assets - Local		

Interest revenue		
Bank	110,454	7,993
	<u>110,872</u>	<u>8,390</u>

8. Taxation
No provision has been made for 2010 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R NIL (2009: R NIL).

9. Auditors' remuneration		
Fees	21,500	21,500

10. Cash generated from operations		
Profit before taxation	559,103	264,274
Adjustments for:		
Depreciation	103,688	112,947
Dividends received	(418)	(397)
Interest received	(110,454)	(7,993)
Changes in working capital:		
Trade and other receivables	22,074	13,678
Trade and other payables	4,093,782	597,179
	<u>4,667,775</u>	<u>979,688</u>

11. 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.

12. Comparative figures
Certain comparative figures have been reclassified.

13. HIV Aids Project : Provincial Administration Western Cape		
Department of Health, Metropole Region	1,478,400	1,334,822
Other staff and Travel subsidies	2,551	7,947
	<u>1,480,951</u>	<u>1,342,769</u>

14. Funded and Non-funded employee posts
Included in Project funded expenses are salaries funded by the Department of Health, Department of Social Development and NLDTE (Lotto) for specific projects run by the society. The Employee costs relate to non-funded posts. Previous year figures have been restated accordingly.