

**FAMSA - Family and Marriage Society of
South Africa (Western Cape)**
(Registration number NPO: 002-888)
Financial statements
for the year ended 31 March 2011

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

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

(Registration number NPO: 002-888)

Financial Statements for the year ended 31 March 2011

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 HF Mulder (Treasurer) Vuyisile April Wonga Mampana Joy Desirie Warriess
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	9170/860/15/0

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

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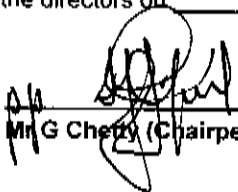
Financial Statements for the year ended 31 March 2011

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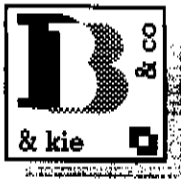
The reports and statements set out below comprise the financial statements presented to the members:

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The financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the directors on 21/9/ 2011 and were signed on its behalf by:


Mr G Chetty (Chairperson)


Mr HF Mulder (Treasurer)



Bredell Brink & Kie/Co

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

Eerste Ln 44a, Boston, Posbus 344, Bellville, 7535, Tel (021) 948-4026 Faks (021) 948-4027
info@bredellbrink.co.za

Independent Auditors' Report

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

We have audited the financial statements of FAMSA - Family and Marriage Society of South Africa (Western Cape), which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Financial Statements

The society's members are responsible for the preparation and fair presentation of these 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

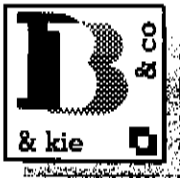
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute adequate accounting controls over cash collections for donations prior to the initial entry of 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 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 2011, 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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Independent Auditors' Report

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 14 does not form part of the 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

24/9/2011

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

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Financial Statements for the year ended 31 March 2011

Statement of Financial Position

	Note(s)	2011 R	2010 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	4,453,054	4,225,326
Other financial assets	3	13,110	9,608
		4,466,164	4,234,934
Current Assets			
Trade and other receivables		53,097	37,684
Cash and cash equivalents	4	10,815,615	7,551,865
		10,868,712	7,589,549
Total Assets		15,334,876	11,824,483
Equity and Liabilities			
Equity			
Trust funds		3,000	3,000
Reserves		4,469,869	4,172,012
Retained income		2,770,500	2,592,047
		7,243,369	6,767,059
Liabilities			
Current Liabilities			
Trade and other payables	6	8,091,507	5,057,424
Total Equity and Liabilities		15,334,876	11,824,483

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

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Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income

	Note(s)	2011 R	2010 R
Revenue			
HIV Aids Project: Department of Health Western Cape		1,438,269	1,480,951
Department of Social Development Western Cape		2,858,072	2,972,777
Subscriptions		255	270
General and Specific Fund Raising		483,075	1,371,687
Professional Services and Educational Work		513,119	749,575
Grants : Western Cape Community Chest		254,208	325,896
National Lottery Distribution Trust Fund funding		1,716,470	718,683
		7,263,468	7,619,839
Other income			
Insurance refunds received		10,532	13,664
Other income		4,750	3,480
Dividend revenue	8	444	418
Interest received	8	332,054	110,454
Fair value adjustments	9	3,503	-
		351,283	128,016
Operating expenses			
Affiliation and Registration fees		(2,237)	(2,859)
Auditors' remuneration	11	(23,300)	(21,500)
Bank charges		(42,274)	(25,301)
Depreciation		(96,250)	(103,688)
Employee costs (non-funded posts)		(1,510,907)	(969,821)
General expenses		(44,952)	(56,654)
IT expenses		(40,466)	(70,111)
Insurance		(77,427)	(68,584)
Lease rentals on operating lease		(50,521)	(42,895)
Library books written off		(5,547)	(1,640)
Motor vehicle expenses		(49,876)	(46,389)
Pension, Medical aid and UIF contributions		(332,528)	(313,725)
Printing and stationery		(130,334)	(110,447)
Professional services		(25,188)	(34,603)
Project funded expenses	15	(4,674,602)	(4,984,096)
Repairs and maintenance		(32,668)	(64,570)
Security		(7,699)	(10,093)
Telephone and fax		(188,980)	(191,491)
Travelling expenses		(39,357)	(28,058)
Utilities		(61,185)	(42,227)
		(7,436,298)	(7,188,752)
Surplus for the year		178,453	559,103
Other comprehensive income		-	-
Total comprehensive income		178,453	559,103

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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	R	R	R	R
Balance at 01 April 2009	3,000	458,185	4,111,369	4,569,554	1,646,390	6,218,944					
Changes in equity											
Total comprehensive income for the year	-	-	-	-	559,103	559,103					
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)					
Reallocation of Family Foundation funds received to Retained Income	-	(386,554)	-	(386,554)	386,554	-					
Total changes	-	(397,542)	-	(397,542)	945,657	548,115					
Balance at 01 April 2010	3,000	60,643	4,111,369	4,172,012	2,592,047	6,767,059					
Changes in equity											
Total comprehensive income for the year	-	-	-	-	178,453	178,453					
Food Parcel Fund - funding received from the Department of Social Services	-	101,280	-	101,280	-	101,280					
Food Parcel Fund - project costs incurred during the year	-	(109,913)	-	(109,913)	-	(109,913)					
Building project costs incurred during the year	-	-	306,490	306,490	-	306,490					
Total changes	-	(8,633)	306,490	297,857	178,453	476,310					
Balance at 31 March 2011	3,000	52,010	4,417,859	4,469,869	2,770,500	7,243,369					

Note(s)

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

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Statement of Cash Flows

	Note(s)	2011 R	2010 R
Cash flows from operating activities			
Cash receipts from customers		7,225,428	7,619,839
Cash paid to suppliers and employees		(4,268,056)	(2,952,064)
Cash generated from operations	12	2,957,372	4,667,775
Interest income		332,054	110,464
Dividends received		444	418
Net cash from operating activities		3,289,870	4,778,647
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(323,978)	(40,903)
Sale of financial assets		1	-
Net cash from investing activities		(323,977)	(40,903)
Cash flows from financing activities			
(Decrease)/Increase in Specific Funds		297,857	(10,984)
Total cash movement for the year		3,263,750	4,726,760
Cash at the beginning of the year		7,551,865	2,825,105
Total cash at end of the year	4	10,815,615	7,551,865

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

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Financial Statements for the year ended 31 March 2011

Accounting Policies

1. Presentation of Financial Statements

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

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.

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 and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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 date, 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.

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Financial Statements for the year ended 31 March 2011

Accounting Policies

1.4 Employee benefits (continued)

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.

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 statement of financial position 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.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

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Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
2. Property, plant and equipment						
Buildings	4,290,785	-	4,290,785	3,984,294	-	3,984,294
Furniture and fixtures	195,134	(184,016)	11,118	195,134	(176,168)	18,966
IT equipment	216,578	(199,964)	16,614	199,091	(174,126)	24,965
Library books	1	-	1	1	-	1
Motor vehicles	570,086	(435,550)	134,536	570,086	(372,986)	197,100
Total	5,272,584	(819,530)	4,453,054	4,948,606	(723,280)	4,225,326

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Buildings	3,984,294	306,491	-	4,290,785
Furniture and fixtures	18,966	-	(7,848)	11,118
Motor vehicles	197,100	-	(62,564)	134,536
IT equipment	24,965	17,487	(25,838)	16,614
Library books	1	-	-	1
	4,225,326	323,978	(96,250)	4,453,054

Details of properties

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

Secured in terms of a mortgage bond. Refer Note 13.

- Purchase price: 2001	594,065	594,065
- Capitalised expenditure	1,007,455	700,964
	1,601,520	1,295,029

Land and buildings situated erven 29435, 29436 and 29454, Khayalitsha, in extent 589 square meters.

- Purchase price: 2001	56,881	56,881
- Capitalised expenditure	2,632,384	2,632,384
	2,689,265	2,689,265

An amount of R3 217 540 was received for improvements to the Observatory House during the previous year and a further amount of R146 000 for a new garage during the current year from the National Lottery Distribution Trust Fund. Of this R306 490 has been spent during the current year while the balance is reflected as amounts received in advance. Refer Note 6.

3. Other financial assets

At fair value

475 Sanlam shares - Listed shares	13,110	9,608
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Non-current assets

At fair value	13,110	9,608
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The fair values of listed investments are based on the quoted market price at reporting period date.

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Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

	2011 R	2010 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	81,636	54,617
Bank balances	4,671,414	5,789,335
Short-term deposits	6,062,565	1,707,913
	10,815,615	7,551,865
Comprising:		
Specific Funds	52,010	60,643
Trust funds	3,000	3,000
Other	10,760,605	7,488,222
	10,815,615	7,551,865
5. Non-Distributable reserve		
Building Fund - fixed property	4,249,424	3,942,934
Motor vehicle - Condor	168,435	168,435
	4,417,859	4,111,369
6. Trade and other payables		
Trade payables	33,175	22,134
Amounts received in advance	8,058,332	5,035,290
	8,091,507	5,057,424
Reconciliation of Amounts received in advance:		
Department of Social Development	2,500,000	-
National Lottery Distribution Trust Fund - building	2,911,049	5,035,290
National Lottery Distribution Trust Fund	2,647,283	-
	8,058,332	5,035,290

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 organisation received an amount of R5 035 290 in the previous financial year, of which R2 124 241 has been spent in the current year towards the building extensions for the Observatory offices (refer Note 2), food parcels, projects and administrative expenses.

The organisation received a further amount of R2 647 283 during the year which will be utilised in the next financial year for the following projects -

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Notes to the Financial Statements

	2011 R	2010 R
6. Trade and other payables (continued)		
Grant Agreement:		
- Container to be used as Counselling Office	93,665	-
- Family Foundation Counselling Project	578,000	-
- Furnish Training room and Kitchenette	37,279	-
- IT Expenses	55,790	-
- Khayalitsha After Care Project	262,800	-
- Maintenance and repairs to vehicles	49,974	-
- Personnel salaries	1,075,723	-
- Personnel training	20,000	-
- Sisonke Beading Project	167,600	-
- Water, lights and rates	115,452	-
- Youth Camps	45,000	-
- Erection of garage	146,000	-
	2,647,283	-
7. Operating (loss)/surplus		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	50,521	42,895
Depreciation on property, plant and equipment	96,250	103,688
Employee costs	1,510,907	969,821
8. Investment revenue		
Dividend revenue		
Listed financial assets - Local	444	418
Interest revenue		
Bank	332,054	110,454
	332,498	110,872
9. Fair value adjustments		
Other financial assets	3,503	-
10. Taxation		
No provision has been made for 2011 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R NIL (2010: R NIL).		
11. Auditors' remuneration		
Fees	23,300	21,500

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

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Financial Statements for the year ended 31 March 2011

Notes to the Financial Statements

	2011 R	2010 R
12. Cash generated from operations		
Profit before taxation	178,453	559,103
Adjustments for:		
Depreciation	96,250	103,688
Dividends received	(444)	(418)
Interest received	(332,054)	(110,454)
Fair value adjustments	(3,503)	-
Changes in working capital:		
Trade and other receivables	(15,413)	22,074
Trade and other payables	3,034,083	4,093,782
	2,957,372	4,667,775

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 III 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	1,437,249	1,478,400
Other staff and Travel subsidies	1,020	2,551
	1,438,269	1,480,951

15. Funded and Non-funded employee posts

Included in Project funded expenses are salaries funded by the Department of Health, Department of Social Development and NLDTF (Lotto) for specific projects run by the society. The Employee costs relate to non-funded posts.