

**FAMSA - Families South Africa Western Cape
(Registration number NPO: 002-888)
Annual financial statements
for the year ended 31 March 2015**

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015**

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Counselling and Training
Executive Committee	Mr V April (Chairperson) Ms J Warries (Resigned) Mr HF Mulder (Retired) Mr W Mampana Mr G Chetty Ms P Jansen (Resigned) Ms N Blekkenhorst (Executive Director) Ms J Cope (Appointed) Ms M Bosman (Treasurer) (Appointed)
Registered office	9 Bowden Road Observatory 7925
Bankers	ABSA Bank Limited
Auditors	Nolands Inc Chartered Accountants (S.A.) Registered Auditors
Registration number	NPO: 002-888
Tax reference number	9170/860/15/0
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisational Act, 1997.

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2015

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

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Independent Auditor's Report

To the members of FAMSA - Families South African Western Cape

We have audited the financial statements of FAMSA - Families South Africa Western Cape, as set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 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.

Executive Committee Responsibility for the Annual Financial Statements

The organisation's members is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Non-Profit Organisations Act, 1997, and for such internal control as the members 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 that 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 audit opinion.

Basis for Qualification

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of collections in the accounting records. Accordingly it was impractical for us to extend our examinations beyond the receipts actually recorded.

AUDITING & INSIGHT

Independent Auditor's Report

Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of FAMSA - Families South Africa Western Cape as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Non-Profit Organisations Act, 1997.



Nolands Inc
Registered Auditor
Practice number: 900583e
Per: Allan Mundell CA (SA), RA

Cape Town
31 July 2015

FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015
Executive Committee's Responsibilities and Approval

The members are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

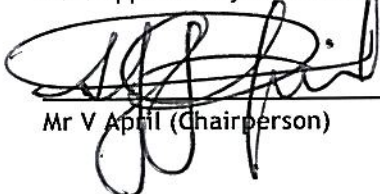
The members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. Those standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

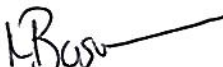
The members have reviewed the company's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 2 and 3.

The annual financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the members on 31 July 2015 and were signed on its behalf by:



Mr V April (Chairperson)



Miss M Bosman (Treasurer)

Cape Town

31 July 2015

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015**

Statement of Financial Position

Figures in Rand	Note(s)	2015	2014
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	8 001 017	8 060 756
Other financial assets	3	37 226	27 331
		<u>8 038 243</u>	<u>8 088 087</u>
Current Assets			
Trade and other receivables		3 330	7 030
Cash and cash equivalents	4	1 946 420	1 284 320
		<u>1 949 750</u>	<u>1 291 350</u>
TOTAL ASSETS		<u>9 987 993</u>	<u>9 379 437</u>
EQUITY AND LIABILITIES			
EQUITY			
Trust funds		3 000	3 000
Reserves	5	6 979 300	7 005 400
Retained income		1 320 073	1 192 425
		<u>8 302 373</u>	<u>8 200 825</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	6	1 685 620	1 178 612
TOTAL EQUITY AND LIABILITIES		<u>9 987 993</u>	<u>9 379 437</u>

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue			
Department of Social Development Western Cape		4 083 657	4 115 652
HIV Aid Project: Department of Health Western Cape		1 489 520	1 514 746
Subscriptions		-	720
Grants: Western Cape Community Chest		230 000	202 800
General and Specific Fund Raising		64 694	80 024
Professional Services and Educational Work		823 801	865 922
Dan Siegel Conference		-	320 332
HW Seta income		26 739	77 542
Sonke Gender Justice Network		-	21 178
		<u>6 718 411</u>	<u>7 198 916</u>
Gross profit		6 718 411	7 198 916
Other income			
Dividend revenue	8	2 653	781
Fair value adjustments		9 895	4 531
Insurance refunds received		-	15 807
Interest received	8	40 639	57 832
Other income		21 669	470
Rental income		63 199	25 237
		<u>138 055</u>	<u>104 658</u>
Expenses (Refer to page 8)		(6 754 918)	(9 217 030)
Surplus / (deficit) for the year		101 548	(1 913 456)

FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Operating expenses			
Accounting and admin fees		185 018	-
Affiliation and Registration fees		8 055	14 916
Auditors' remuneration	10	15 000	13 250
Bank charges		38 053	39 306
Cleaning		10 678	-
Computer expenses		33 261	42 702
Conference expenses		-	184 024
Delivery expenses		2 190	-
Depreciation		61 140	78 402
Employee costs		43 521	1 660 050
Fines and penalties		11 863	4 616
General expenses		54 071	36 664
Insurance		91 082	55 407
Lease rentals on operating lease		90 987	65 321
Legal expenses		1 503	-
Library books written off		-	739
Motor vehicle expenses		21 198	51 956
Pension, Medical aid and UIF contributions		473 242	451 695
Petty cash write off		-	199 232
Printing and stationery		52 374	116 383
Professional services		36 033	16 555
Project funded expenses		5 118 347	5 746 523
Repairs and maintenance		17 803	51 596
Security		11 533	18 225
Staff welfare		6 753	-
Subscriptions		1 950	-
Telephone and fax		267 599	215 086
Travel expenses		-	14 252
Utilities		84 631	119 978
Verification expenses		17 033	20 152
		6 754 918	9 217 030

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Statement of Changes in Equity

Figures in Rand	Share capital	Non distributable reserves	Specific funds	Total reserves	Retained income	Total equity
Balance at 01 April 2013	3 000	7 121 825	52 010	7 173 835	2 937 446	10 114 281
Total comprehensive loss for the year	-	-	-	-	(1 913 456)	(1 913 456)
Transfer of Non Distributable Reserves	-	(168 435)	-	(168 435)	168 435	-
Balance at 01 April 2014	3 000	6 953 390	52 010	7 005 400	1 192 425	8 200 825
Total comprehensive income for the year	-	-	-	-	101 548	101 548
Transfer of Non Distributable Reserves	-	-	(26 100)	(26 100)	26 100	-
Balance at 31 March 2015	3 000	6 953 390	25 910	6 979 300	1 320 073	8 302 373

**FAMSA - Families South Africa Western Cape
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Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	11	620 209	(2 361 311)
Interest income	8	40 639	57 832
Dividends received		2 653	781
Net cash from operating activities		<u>663 501</u>	<u>(2 302 698)</u>
Cash flows from investing activities			
Additions to property, plant and equipment	2	(1 401)	(182 032)
Net cash from investing activities		<u>(1 401)</u>	<u>(182 032)</u>
Net cash movement for the year		662 100	(2 484 730)
Cash and cash equivalents at the beginning of the year		1 284 320	3 769 050
Total cash and cash equivalents at the end of the year	4	<u>1 946 420</u>	<u>1 284 320</u>

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, 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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fittings	4 years
Motor vehicles	5 years
Computer equipment	4 years
Library books	Written down to a nominal value of R1

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Land and buildings are not depreciated and is carried at cost.

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest rate method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

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.

Leases where the company is the lessee

It is not the policy of the company to enter into leases where the significant risks and rewards of ownership are assumed. Leases are therefore classified as operating leases and rentals are recognised as an expense in the income statement on a straight-line basis over the lease term.

Leases where the company is the lessor

Where leases are regarded as financing transactions, instalments receivable less unearned finance charges are classified as finance leases under Financial Assets. Lease rentals are apportioned between the finance charges and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining lease receivable. Finance charges are credited directly to income.

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 / (liability). Such liability is not discounted.

1.4 Employee benefits

Defined contribution plans

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

1.5 Government grants

Grants that do not impose specific performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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.

Donations are recognised at the fair value of the consideration received or receivable.

**FAMSA - Families South Africa Western Cape
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Notes to the Financial Statements

Figures in Rand 2015 2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	7 866 797	-	7 866 797	7 866 797	-	7 866 797
Furniture and fittings	225 128	(215 967)	9 161	225 128	(208 471)	16 657
Motor vehicles	700 323	(598 297)	102 026	700 323	(572 249)	128 074
Computer equipment	328 024	(304 992)	23 032	326 624	(277 397)	49 227
Library books	1	-	1	1	-	1
Total	9 120 273	(1 119 256)	8 001 017	9 118 873	(1 058 117)	8 060 756

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Land and buildings	7 866 797	-	-	7 866 797
Furniture and fittings	16 657	-	(7 496)	9 161
Motor vehicles	128 074	-	(26 048)	102 026
Computer equipment	49 227	1 401	(27 596)	23 032
Library books	1	-	-	1
	8 060 756	1 401	(61 140)	8 001 017

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Land and buildings	7 866 797	-	-	7 866 797
Furniture and fittings	29 824	-	(13 167)	16 657
Motor vehicles	35 737	130 238	(37 901)	128 074
Computer equipment	30 119	51 794	(32 686)	49 227
Library books	1	-	-	1
	7 962 478	182 032	(83 754)	8 060 756

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2015**

Notes to the Financial Statements

Figures in Rand	2015	2014
2. Property, plant and equipment (continued)		
Details of properties		
Land and buildings situated on 9 Bowden Road, Observatory, erf 27127, in extent 1420 square meters. Secured in terms of a mortgage bond. Refer to note 13		
- Purchase price: 2001	594 065	594 065
- Capitalised expenditure: 2002	614 903	614 903
- Capitalised expenditure: 2003	65 175	65 175
- Capitalised expenditure: 2004	5 912	5 912
- Capitalised expenditure: 2005	14 974	14 974
- Capitalised expenditure: 2011	306 491	306 491
- Capitalised expenditure: 2012	2 703 965	2 703 965
	<u>4 305 485</u>	<u>4 305 485</u>
Land and buildings situated erven 29435, 29436 and 29454, Khayalitsha, in extent 589 square meters.		
- Purchase price: 2001	56 881	56 881
- Capitalised expenditure: 2006	41 361	41 361
- Capitalised expenditure: 2007	500 542	500 542
- Capitalised expenditure: 2008	1 916 251	1 916 251
- Capitalised expenditure: 2009	174 230	174 230
	<u>2 689 265</u>	<u>2 689 265</u>
3. Other financial assets		
At fair value		
475 Sanlam shares - Listed shares	<u>37 226</u>	<u>27 331</u>
Non-current assets		
At fair value	37 226	27 331
The fair values of listed shares are based on the quoted market price at the reporting period date.		
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	18 697	20 774
Bank balances	1 202 545	594 749
Short-term deposits	725 178	668 797
	<u>1 946 420</u>	<u>1 284 320</u>

**FAMSA - Families South Africa Western Cape
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Notes to the Financial Statements

Figures in Rand	2015	2014
4. Cash and cash equivalents (continued)		
Credit quality of cash at bank and short term deposits, excluding cash on hand		
Comprising		
Specific funds	25 910	52 010
Trust funds	3 000	3 000
Other	1 917 510	1 229 310
	<u>1 946 420</u>	<u>1 284 320</u>
5. Non-Distributable reserve		
Building Fund - fixed property	6 953 390	6 953 390
Motor vehicle - Condor	-	168 435
Transfer of Condor reserve	-	(168 435)
Capital expenditure fund	25 910	25 910
Township development fund	7 500	7 500
Training fund	3 600	3 600
Development of trauma fund	15 000	15 000
Transfer of funds	(26 100)	-
	<u>6 979 300</u>	<u>7 005 400</u>
6. Trade and other payables		
Trade payables	15 003	50 949
Amounts received in advance	1 665 780	1 090 907
Value-added taxation	4 837	36 756
	<u>1 685 620</u>	<u>1 178 612</u>
Reconciliation of amounts received in advance		
Department of Social Development	542 696	709 353
National Lottery Distribution Trust Fund - building	353 084	353 084
Sonke Gender Justice Network	-	28 470
Lotto 2013-2014 funding	770 000	-
	<u>1 665 780</u>	<u>1 090 907</u>
7. Operating (loss) / profit		
Operating (loss) / profit for the year is stated after accounting for the following:		
Operating lease charges		
• Premises	90 987	65 321
Depreciation on property, plant and equipment	61 140	78 402
Employee costs	43 521	1 660 050

FAMSA - Families South Africa Western Cape
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Notes to the Financial Statements

Figures in Rand	2015	2014
8. Investment revenue		
Dividend revenue		
Listed financial assets - Local	2 653	781
Interest received	40 639	57 832
	<u>43 292</u>	<u>58 613</u>
9. Taxation		
No provision for 2015 taxation has been made as the organisation had no taxable income.		
10. Auditors' remuneration		
Audit fees	15 000	13 250
11. Cash generated from operations		
Profit before taxation	101 548	(1 913 456)
Adjustments for:		
Depreciation	61 138	78 402
Dividends received	(2 653)	(781)
Interest received	(40 639)	(57 832)
Fair value adjustments	(9 895)	(4 531)
Changes in working capital:		
Trade and other receivables	3 701	112 791
Trade and other payables	507 009	(575 904)
	<u>620 209</u>	<u>(2 361 311)</u>
12. 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 Mutual and Federal was ceded to ABSA Bank Limited. Refer to Note 2.		
13. HIV Aids Project: Provincial Administration Western Cape		
Department of Health; Metropole Region	1 489 520	1 514 746
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 NLDTF (Lotto) for specific projects run by the organisation. The Employee costs relate to non-funded posts.		