

**FAMSA - Families South Africa Western Cape
(Registration number NPO: 002-888)
Annual financial statements
for the year ended 31 March 2020**

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Counselling and Training
Executive Committee	Mr V April (Chairperson) Mr W Mampana Mrs S Foster (Treasurer) Ms N Blekkenhorst (Executive Director) Ms J Cope Mr A Bell (Appointed: 30 April 2020)
Registered office	9 Bowden Road Observatory 7925
Bankers	ABSA Bank Limited
Auditors	Nolands Inc Registered Auditors Practice Number: 900583e
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 Organisations Act, 1997.

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2020

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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 Africa Western Cape

Qualified Opinion

We have audited the annual financial statements of FAMSA - Families South Africa Western Cape set out on pages 6 to 16, which comprise the Statement of Financial Position as at 31 March 2020, and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the notes to the Annual Financial Statements, including a summary of significant accounting policies.

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 2020, 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.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financials Statements section of the report. We are independent of the organisation in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled out other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Responsibilities of the executive committee for the Annual Financial Statements

The organisation's members are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act of South Africa, and for such internal control as the members determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the members are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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

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

The logo for Nolands, featuring the name 'Nolands' in a blue, cursive script font.

Nolands Inc.
Registered Auditors
Practice Number: 900583e
Per: Allan Mundell CA (SA), RA
Director

17 August 2020
Cape Town

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020**

Executive Committee's Responsibilities and Approval

The members are required in terms of the Non-Profit Organisations Act, 1997 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 organisation 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 and the requirements of the Non-Profit Organisations Act, 1997. 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 requirements of the Non-Profit Organisations Act, 1997 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 organisation. 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 organisation's cash flow forecast for the year to 31 March 2020 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 3 and 4.

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 17 August 2020 and were signed on its behalf by:



Mr V April (Chairperson)



Mrs S Foster (Treasurer)

Cape Town

Monday, 17 August 2020

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020**

Statement of Financial Position

Figures in Rand	Note(s)	2020	2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	7,878,946	7,889,465
Other financial assets	3	24,268	36,461
		<u>7,903,214</u>	<u>7,925,926</u>
Current Assets			
Trade and other receivables	4	439,348	18,607
Cash and cash equivalents	5	732,036	765,700
		<u>1,171,384</u>	<u>784,307</u>
TOTAL ASSETS		<u>9,074,598</u>	<u>8,710,233</u>
RESERVES AND LIABILITIES			
RESERVES			
Reserve funds		3,000	3,000
Reserves	6	6,979,300	6,979,300
Retained income		883,295	874,484
		<u>7,865,595</u>	<u>7,856,784</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	7	1,209,003	853,449
TOTAL RESERVES AND LIABILITIES		<u>9,074,598</u>	<u>8,710,233</u>

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue			
Department of Social Development Western Cape		5,443,904	4,426,495
General and Specific Fund Raising		72,656	146,790
HIV Aids Project: Department of Health Western Cape	12	2,035,077	2,150,271
National Lottery Distribution Trust Fund funding		-	524,500
Professional Services and Educational Work		1,310,822	995,483
		<u>8,862,459</u>	<u>8,243,539</u>
Other income			
Dividend revenue	8	-	991
Interest received	8	35,119	35,565
Other income		40,069	10,690
Rental income		232,473	109,129
		<u>307,661</u>	<u>156,375</u>
Expenses (Refer to page 8)			
		<u>(9,149,116)</u>	<u>(8,661,999)</u>
Operating surplus / deficit		21,004	(262,085)
Fair value adjustment on listed investment		(12,193)	(4,057)
Surplus / deficit for the year		<u>8,811</u>	<u>(266,142)</u>

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Operating expenses			
Accounting and admin fees		139,452	141,220
Advertising		739	3,256
Affiliation and Registration fees		10,435	28,909
Auditors' remuneration	10	19,000	18,000
Bank charges		71,793	65,922
Cleaning		7,958	12,026
Computer expenses		185,177	106,862
Consulting fees		12,652	-
Counselling directorate		34,733	21,908
Delivery expenses		262	816
Depreciation		12,475	48,580
Employee costs		213,942	147,170
General expenses		1,886	22,968
Insurance		79,988	76,919
Lease rentals on operating lease		37,368	54,250
Legal expenses		5,652	1,609
Motor vehicle expenses		85,929	101,002
Pension, Medical aid and UIF contributions		608,423	509,623
Printing and stationery		51,290	126,548
Project funded expenses		7,261,199	6,662,971
Repairs and maintenance		8,731	215,216
Security		15,313	8,376
Staff welfare		23,818	42,318
Subscriptions		-	760
Telephone and fax		108,079	160,449
Utilities		152,822	84,321
		9,149,116	8,661,999

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020
Statement of Changes in Reserves**

Figures in Rand	Reserve funds	Non distributable reserves	Specific funds	Reserves	Retained income	Total reserves
Balance at 01 April 2018	3,000	6,953,390	25,910	6,979,300	1,140,626	8,122,926
Deficit for the year	-	-	-	-	(266,142)	(266,142)
Balance at 01 April 2019	3,000	6,953,390	25,910	6,979,300	874,484	7,856,784
Surplus for the year	-	-	-	-	8,811	8,811
Balance at 31 March 2020	<u>3,000</u>	<u>6,953,390</u>	<u>25,910</u>	<u>6,979,300</u>	<u>883,295</u>	<u>7,865,595</u>

**FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020**

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash used in operating activities			
Cash used in operations	11	(66,827)	(860,031)
Interest income	8	35,119	35,565
Dividends received	8	-	991
Net cash from operating activities		(31,708)	(823,475)
Cash flows from investing activities			
Additions to property, plant and equipment	2	(1,956)	(17,822)
Net cash movement for the year		(33,664)	(841,297)
Cash and cash equivalents at the beginning of the year		765,700	1,606,997
Total cash and cash equivalents at the end of the year	5	732,036	765,700

FAMSA - Families South Africa Western Cape Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standard 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 organisation; 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
Buildings	20 years
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 is not depreciated and is carried at cost.

1.2 Financial instruments

Initial recognition and measurement

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

Financial instruments are measured at fair value.

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Annual Financial Statements for the year ended 31 March 2020
Accounting Policies

1.2 Financial instruments (continued)

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.

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 organisation is the lessee

It is not the policy of the organisation 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 statement of comprehensive income on a straight-line basis over the lease term.

Leases where the organisation is the lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

1.4 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.

1.5 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 organisation'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
Annual Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	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	197,334	(197,291)	43	197,334	(197,291)	43
Motor vehicles	647,692	(647,685)	7	647,692	(647,685)	7
Computer equipment	411,375	(399,276)	12,099	409,419	(386,801)	22,618
Total	9,123,198	(1,244,252)	7,878,946	9,121,242	(1,231,777)	7,889,465

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Land and buildings	7,866,797	-	-	7,866,797
Furniture and fittings	43	-	-	43
Motor vehicles	7	-	-	7
Computer equipment	22,618	1,956	(12,475)	12,099
	7,889,465	1,956	(12,475)	7,878,946

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Land and buildings	7,866,797	-	-	7,866,797
Furniture and fittings	42	1	-	43
Motor vehicles	23,883	-	(23,876)	7
Computer equipment	29,501	17,821	(24,704)	22,618
Library books	1	-	(1)	-
	7,920,224	17,822	(48,581)	7,889,465

FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
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 11		
- 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	3,576,012	3,576,012
	<u>5,177,532</u>	<u>5,177,532</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>24,268</u>	<u>36,461</u>
Non-current assets		
At fair value	24,268	36,461
The fair values of listed shares are based on the quoted market price at the reporting period date.		
4. Trade and other receivables		
Trade receivables	3,330	3,330
Other receivables	436,018	-
Value-added taxation	-	15,277
	<u>439,348</u>	<u>18,607</u>
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	(1,916)
Bank balances	306,514	225,037
Short-term deposits	425,522	542,579
	<u>732,036</u>	<u>765,700</u>

FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
6. Non-Distributable reserve		
Building Fund - fixed property	6,953,390	6,953,390
Capital expenditure fund	25,910	25,910
	<u>6,979,300</u>	<u>6,979,300</u>
7. Trade and other payables		
Trade payables	15,004	26,405
Amounts received in advance	1,177,542	827,044
Value-added taxation	16,457	-
	<u>1,209,003</u>	<u>853,449</u>
Department of Social Development	473,960	473,960
Department of Social Development - Grant in advance	350,498	-
National Lottery Distribution Trust Fund - building	353,084	353,084
National Lottery Distribution Trust Fund - other	-	-
	<u>1,177,542</u>	<u>827,044</u>
8. Investment revenue		
Dividend revenue		
Listed financial assets - Local	-	991
Interest received	35,119	35,565
	<u>35,119</u>	<u>36,556</u>
9. Taxation		
No provision for 2020 taxation has been made as the organisation had no taxable income.		
10. Auditors' remuneration		
Audit fees	<u>19,000</u>	<u>18,000</u>

FAMSA - Families South Africa Western Cape
Annual Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
11. Cash used in operations		
Surplus	8,817	(266,136)
Adjustments for:		
Depreciation	12,475	48,580
Dividends received	-	(991)
Interest received	(35,119)	(35,565)
Fair value adjustments	12,193	4,057
Changes in working capital:		
Trade and other receivables	(420,742)	-
Trade and other payables	355,549	(609,976)
	<u>(66,827)</u>	<u>(860,031)</u>
12. HIV Aids Project: Provincial Administration Western Cape		
Department of Health; Metropole Region	<u>2,035,077</u>	<u>2,150,271</u>
13. 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.