

7th Heaven Children's Haven NPC  
(Registration number 2009/018911/08)  
Annual Financial Statements  
for the year ended 31 December 2015

# 7th Heaven Children's Haven NPC

(Registration number 2009/018911/08)

Annual Financial Statements for the year ended 31 December 2015

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Providing care and counseling for abandoned, abused and neglected children.
<b>Directors</b>	SN Senong IM Bradley CB Dreyer GR Veitch G Wooding J Pope
<b>Registered office</b>	23 Koraal Street Jeffreys Bay 6330
<b>Postal address</b>	PO Box 3410 Jeffreys Bay 6330
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Moore Stephens WK Incorporated Registered Auditors
<b>Company registration number</b>	2009/018911/08

# 7th Heaven Children's Haven NPC

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

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# 7th Heaven Children's Haven NPC

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## Directors' Responsibilities and Approval

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The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

The directors 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved on 04 February 2016 and were signed:

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Director

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Director

Jeffreys Bay

04 February 2016

## **Report of Factual Findings**

### **To the directors: 7<sup>th</sup> Heaven Children's Haven**

We have performed the procedure agreed with you and enumerated below with respect to the accounting records of 7<sup>th</sup> Heaven Children's Haven as at 31 December 2015, set forth in the accompanying schedules. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in obtaining funds by confirming the correct usage of funds previously received and are summarized as follows:

1. We will perform the following procedures in terms of cash and cash equivalents as at 31 December 2015:
  - a. Obtain a bank reconciliation as at 31 December 2015 and
    - i. agree the cash book balance with the cash book.
    - ii. agree the balance per bank statements with the bank statements, to the amounts of cash book FNB – R 3,311.59
    - iii. agree any reconciling items to supporting documentation.
2. Select 12 internet payments with MUS in the financial year and
  - a. Inspect the internet payment for authorisation prior to issue.
  - b. Inspect the supporting invoice for validity of the payments.
  - c. Inspect the cash book for accurate recording of transaction.
  - d. Inspect the cash book for correct allocation of payment.
3. We will agree all creditors as at 31 December 2015 amounting to R 1,105 to supporting invoices or contracts.
4. Select 12 income receipts from the bank statement in the financial year and
  - a. Inspect the general ledger for the completeness of the receipts.
  - b. Inspect the cash book for accurate recording of transaction.
  - c. Inspect the cash book for correct allocation of receipt.
5. Select 6 interest receipts from the bank statements in the financial year and
  - a. Inspect the general ledger for the completeness of the receipts.
  - b. Inspect the cash book for accurate recording of transaction.
  - c. Inspect the cash book for correct allocation of receipt.
6. We will select employee costs for two months, for all employees.
  - a. Recalculate UIF to establish if it has been accurately calculated.
  - b. Recalculate PAYE if applicable
  - c. Follow the payments through to the bank statement to verify occurrence of these expenses
7. We will prepare Annual Financial Statements based on the accounting records provided to us and covered in this agreed-upon procedure report.

We report our findings below:

1. a. The bank reconciliation as at 31 December 2015 balances
  - i. the cash book balance agrees to the cash book.
  - ii. the bank statement balances agrees to the bank statements.
  - iii. there were no reconciling items on the bank reconciliation.
2. 12 Items were selected from the general ledger and were agreed to supporting documentation. There were invoices for all the transactions. The transactions were agreed to the payments on the bank statement and EFT details were agreed to relevant EFT proof of payments.
3. Creditors agreed to relevant documentation.
4. 12 Income receipts were selected from the bank statements and traced through to the general ledger, all these receipts were recorded correctly in the general ledger.
5. 6 Interest receipts were selected from the bank statements and were agreed to the general ledger.
6. The months of November and December was selected for testing.
  - a. UIF was correctly accounted for.
  - b. PAYE is inapplicable, tax after rebate for both employees is R0.00
  - c. The payroll summary was agreed to the bank statements.
7. The annual financial statements are attached and agree to underlying accounting records.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the 7<sup>th</sup> Heaven Children's Haven results as at 31 December 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and do not extend to any financial statements of 7<sup>th</sup> Heaven Children's Haven, taken as a whole.

**Moore Stephens WK Incorporated**  
**Registered Auditor**

**Per: J Barnard**  
**Director**

**Jeffreys Bay**  
**05 February 2016**

# 7th Heaven Children's Haven NPC

(Registration number 2009/018911/08)

Annual Financial Statements for the year ended 31 December 2015

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of 7th Heaven Children's Haven NPC for the year ended 31 December 2015.

### 1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 2. Directors

The directors in office at the date of this report are as follows:

#### Directors

SN Senong  
IM Bradley  
CB Dreyer  
GR Veitch  
G Wooding  
J Pope  
KD Seomo  
ME Dayimani

There have been no changes to the directorate for the period under review.

### 3. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 4. Auditors

Moore Stephens WK Incorporated continued in office as auditors for the company for 2015.

# 7th Heaven Children's Haven NPC

(Registration number 2009/018911/08)

Annual Financial Statements for the year ended 31 December 2015

## Statement of Financial Position as at 31 December 2015

Figures in Rand	Note(s)	2015	2014
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 526 529	1 605 692
<b>Current Assets</b>			
Trade and other receivables	3	1 580	3 053
Cash and cash equivalents	4	119 307	202 431
		<b>120 887</b>	<b>205 484</b>
<b>Total Assets</b>		<b>1 647 416</b>	<b>1 811 176</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		145 208	145 208
Retained income		1 498 806	1 663 314
		<b>1 644 014</b>	<b>1 808 522</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	1 102	574
Provisions	6	2 300	2 080
		<b>3 402</b>	<b>2 654</b>
<b>Total Equity and Liabilities</b>		<b>1 647 416</b>	<b>1 811 176</b>

# 7th Heaven Children's Haven NPC

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Annual Financial Statements for the year ended 31 December 2015

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
<b>Revenue</b>			
Bursaries		-	17 400
Donations		99 441	83 408
Self generated income		-	14 831
		<b>99 441</b>	<b>115 639</b>
<b>Other income</b>			
Insurance claim		3 888	-
Interest received		6 112	15 899
		<b>10 000</b>	<b>15 899</b>
<b>Operating expenses</b>			
Advertising		4 289	1 190
Auditors remuneration		2 300	2 070
Bank charges		2 630	2 594
Children's education		620	18 494
Consumables and cleaning		46 190	46 453
Depreciation, amortisation and impairments		79 163	58 633
Employee costs		49 866	25 740
Insurance		15 297	18 059
Medical expenses		2 680	928
Petrol and oil		1 170	100
Postage		-	108
Printing and stationery		40	274
Repairs and maintenance		56 755	43 431
Secretarial fees		29	955
Security		3 710	3 180
Sundry expenses		100	-
Telephone and fax		2 560	495
Utilities		6 550	10 034
		<b>273 949</b>	<b>232 738</b>
<b>Loss for the year</b>		<b>(164 508)</b>	<b>(101 200)</b>
<b>Total comprehensive loss for the year</b>		<b>(164 508)</b>	<b>(101 200)</b>

## 7th Heaven Children's Haven NPC

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Annual Financial Statements for the year ended 31 December 2015

### Statement of Changes in Equity

Figures in Rand	Specific funds	Retained income	Total equity
<b>Balance at 01 January 2014</b>	<b>556 502</b>	<b>1 353 220</b>	<b>1 909 722</b>
<b>Loss for the year</b>	-	<b>(101 200)</b>	<b>(101 200)</b>
Transfer between reserves	(411 294)	411 294	-
<b>Balance at 01 January 2015</b>	<b>145 208</b>	<b>1 663 314</b>	<b>1 808 522</b>
<b>Loss for the year</b>	-	<b>(164 508)</b>	<b>(164 508)</b>
<b>Balance at 31 December 2015</b>	<b>145 208</b>	<b>1 498 806</b>	<b>1 644 014</b>
Note	5		

## 7th Heaven Children's Haven NPC

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Annual Financial Statements for the year ended 31 December 2015

### Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
<b>Cash flows from operating activities</b>			
Cash receipts from customers		104 802	114 186
Cash paid to suppliers and employees		(194 038)	(174 521)
Cash used in operations	8	(89 236)	(60 335)
Interest income		6 112	15 899
<b>Net cash from operating activities</b>		<b>(83 124)</b>	<b>(44 436)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(356 176)
<b>Total cash movement for the year</b>		<b>(83 124)</b>	<b>(400 612)</b>
Cash at the beginning of the year		202 431	603 043
<b>Total cash at end of the year</b>	4	<b>119 307</b>	<b>202 431</b>

# 7th Heaven Children's Haven NPC

(Registration number 2009/018911/08)

Annual Financial Statements for the year ended 31 December 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. 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

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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:

<b>Item</b>	<b>Average useful life</b>
Buildings	Indefinite
Furniture and fixtures	5 years
Motor vehicles	5 years
Computer equipment	3 years

# 7th Heaven Children's Haven NPC

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Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand

2015

2014

### 2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Buildings	1 273 891	-	1 273 891	1 273 891	-	1 273 891
Furniture and fixtures	92 560	(42 749)	49 811	92 560	(25 381)	67 179
Motor vehicles	308 979	(106 153)	202 826	308 979	(44 358)	264 621
Computer equipment	600	(599)	1	600	(599)	1
<b>Total</b>	<b>1 676 030</b>	<b>(149 501)</b>	<b>1 526 529</b>	<b>1 676 030</b>	<b>(70 338)</b>	<b>1 605 692</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
Buildings	1 273 891	-	1 273 891
Furniture and fixtures	67 179	(17 368)	49 811
Motor vehicles	264 621	(61 795)	202 826
Computer equipment	1	-	1
	<b>1 605 692</b>	<b>(79 163)</b>	<b>1 526 529</b>

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Buildings	1 273 891	-	-	1 273 891
Furniture and fixtures	34 224	47 197	(14 242)	67 179
Motor vehicles	-	308 979	(44 358)	264 621
Computer equipment	34	-	(33)	1
	<b>1 308 149</b>	<b>356 176</b>	<b>(58 633)</b>	<b>1 605 692</b>

### 3. Trade and other receivables

Kouga Municipality - Deposit	1 580	1 580
Prepayments	-	1 473
	<b>1 580</b>	<b>3 053</b>

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 985	347
Bank balances	115 322	202 084
	<b>119 307</b>	<b>202 431</b>

### 5. Special funds

These special funds are donations received to be utilised for future expenditure

NLDTF	145 208	145 208
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## Notes to the Annual Financial Statements

Figures in Rand

2015

2014

### 6. Provisions

#### Reconciliation of provisions - 2015

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fee	2 080	2 300	(2 080)	2 300

#### Reconciliation of provisions - 2014

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	1 900	2 080	(1 900)	2 080

The timing and outflow of economic benefits with regards to the audit fee provision is expected to be within 12 months.

### 7. Trade and other payables

Trade payables	1 102	574
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### 8. Cash used in operations

Loss before taxation	(164 508)	(101 200)
<b>Adjustments for:</b>		
Depreciation and amortisation	79 163	58 633
Interest received	(6 112)	(15 899)
Movements in provisions	220	180
<b>Changes in working capital:</b>		
Trade and other receivables	1 473	(1 453)
Trade and other payables	528	(596)
	<b>(89 236)</b>	<b>(60 335)</b>