

**COALITION OF ANGLICAN CHILDREN'S HOMES (COACH) NPO 052-658  
INCORPORATING ST GEORGE'S HOME NPO 009-474 AND  
THE ST NICOLAS HOME FOR CHILDREN NPO 000-873**

**Annual Financial Statements  
for the year ended 30 March 2019**



**Nwanda Incorporated**

Chartered Accountants and Registered Auditors

## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### General Information

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| <b>COUNTRY OF INCORPORATION AND DOMICILE</b>       | South Africa   |
| <b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b> | Non-profit organisation involved in child and youth programs   |
| <b>BUSINESS ADDRESS</b>                            | Coach House<br>Bishop Bavin School<br>5 Healey Road<br>Bedfordview, Gauteng<br>2008  |
| <b>POSTAL ADDRESS</b>                              | P.O. Box 40004<br>Cleveland<br>2022  |
| <b>BANKER</b>                                      | Standard Bank  |
| <b>AUDITOR</b>                                     | Nwanda Incorporated  |
| <b>REGISTRATION NUMBER</b>                         | 052-658-NPO  |
| <b>TAX REFERENCE NUMBER</b>                        | 9343131166   |
| <b>LEVEL OF ASSURANCE</b>                          | These Annual Financial Statements have been audited in compliance with the applicable requirements of the Non-profit Organisations Act No. 71 of 1997. |
| <b>PREPARER</b>                                    | The annual financial statements were independently compiled by:<br>E.J. Lottering CA (S.A.)  |



# Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

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## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Board's Responsibilities and Approval

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The board is required by the Non-profit Organisations Act No. 71 of 1997, to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is her responsibility to ensure that the Annual 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is 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 board acknowledges that she is ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board sets 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 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 appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board is 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 board has 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 auditor is 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 auditor and their report is presented on pages 4 to 5.

The Annual Financial Statements set out on pages 7 to 22, which have been prepared on the going concern basis, were approved by the board on 12 August 2019 and were signed on their behalf by:



Chairperson



Treasurer





# Nwanda Incorporated

## Independent Auditor's Report

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To the board of Coalition of Anglican Children's Homes (Coach)

### Qualified opinion

We have audited the Annual Financial Statements of Coalition of Anglican Children's Homes (Coach) set out on pages 7 to 20, which comprise the Statement of Financial Position as at 31 March 2019, and the Statement of Comprehensive Income, Statement of Changes In Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the Annual Financial Statements present fairly, in all material respects, the financial position of Coalition of Anglican Children's Homes (Coach) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act No. 71 of 1997.

### Basis for qualified opinion

The organisation, in common with others of similar size and organisation, derives a substantial portion of its income from voluntary donations, which cannot be fully controlled until they are entered into the records, consequently the donations are non-susceptible to audit verification.

The organisation does not comply with International Financial Reporting Standards for Small and Medium-sized Entities framework in regards to the recognition of property, plant and equipment. The framework requires that property, plant and equipment be capitalised and depreciated over its useful life per Section 17 of IFRS for SME's. The organisation has written off certain property, plant and equipment items in the year of acquisition. None were identified in the current or prior financial period.

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 Financial Statements* section of our 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 our 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' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Supplementary information

The board is responsible for the supplementary information. The supplementary information comprises the Board's Report as required by the Non-profit Organisations Act No. 71 of 1997 and the Detailed Statement of Comprehensive Income, which we obtained prior to the date of this report. The supplementary information does not include the Annual Financial Statements and our auditor's report thereon. Our opinion on the Annual Financial Statements does not cover the supplementary information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the supplementary information and, in doing so, consider whether the supplementary information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this supplementary information, we are required to report that fact. We have nothing to report in this regard.

### Auditor's responsibilities for the audit of the Annual Financial Statements

#### Chartered Accountants and Registered Auditors (PR No. 952451)

28A Riley Road, Bedfordview, 2007 • P.O. Box 751767, Gardenvue, 2047

Registration Number 2004/003741/21 • E-mail: [nwanda@nwanda.co.za](mailto:nwanda@nwanda.co.za) • [www.nwanda.co.za](http://www.nwanda.co.za)

Tel 011 622 0926

Directors: • Robert Borrill • Roy Macpherson • Mauritz Jankowitz • Pieter Steyn • Christopher Botha



## Independent Auditor's Report


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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 board.
- Conclude on the appropriateness of the board's 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.

  
Nwanda Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors  
Practice number: 952451

Per: R.O. Borrill  
Director

12 August 2019



# Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

## Board's Report

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The board has pleasure in submitting her report on the Annual Financial Statements of Coalition of Anglican Children's Homes (Coach) for the year ended 31 March 2019.

### 1. NATURE OF BUSINESS

Coalition of Anglican Children's Homes (Coach) is registered as an NPO and operates in South Africa. The organisation promotes, integrates and manages the administrative, human resources and financial functions as well as offers effective child and youth care programs to the children and youth at risk, within the context of their family and their community in the Diocese of Johannesburg, including activities previously conducted by St. George's Home, St. Joseph's Home, and St. Nicolas Home.

There have been no material changes to the nature of the company's business from the prior year.

### 2. 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 Non-profit Organisations Act No. 71 of 1997. 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 organisation are set out in these Annual Financial Statements.

### 3. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the organisation to continue as a going concern is dependent on a number of factors. The most significant of these is that the board continues to procure funding for the ongoing operations for the organisation.

### 4. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding its use.

### 5. EVENTS AFTER THE REPORTING PERIOD

On 01 April 2019, the organisation entered into an agreement of sale with Tyrone Albert Alexander to sell ERF371, 0, Westdene, Johannesburg for R420 000.

The board is not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 6. AUDITOR

Nwanda Incorporated will continue in office as auditor for the organisation for the next financial year.





## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Statement of Financial Position as at 31 March 2019

|                                     | Note | 2019<br>R        | 2018<br>R        |
|-------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                       |      |                  |                  |
| <b>Non-Current Assets</b>           |      |                  |                  |
| Property, plant and equipment       | 2    | 2 109 286        | 2 224 876        |
| Investments                         | 3    | 297 984          | 190 215          |
| Restricted investment               | 4    | 1 214 397        | 660 919          |
|                                     |      | <b>3 621 667</b> | <b>3 076 010</b> |
| <b>Current Assets</b>               |      |                  |                  |
| Trade and other receivables         | 5    | 20 957           | 122 561          |
| Cash and cash equivalents           | 6    | 1 349 146        | 1 309 297        |
|                                     |      | <b>1 370 103</b> | <b>1 431 858</b> |
| <b>TOTAL ASSETS</b>                 |      | <b>4 991 770</b> | <b>4 507 868</b> |
| <b>EQUITY AND LIABILITIES</b>       |      |                  |                  |
| <b>EQUITY</b>                       |      |                  |                  |
| Reserves                            | 7    | 3 263 093        | 3 732 310        |
| Accumulated reserves                |      | 804 805          | (549 543)        |
|                                     |      | <b>4 067 898</b> | <b>3 182 767</b> |
| <b>LIABILITIES</b>                  |      |                  |                  |
| <b>Current Liabilities</b>          |      |                  |                  |
| Trade and other payables            | 8    | 325 374          | 784 619          |
| Current tax payable                 |      | 598 498          | 540 482          |
|                                     |      | <b>923 872</b>   | <b>1 325 101</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>4 991 770</b> | <b>4 507 868</b> |





## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Statement of Comprehensive Income

|                        | Note | 2019<br>R   | 2018<br>R   |
|------------------------|------|-------------|-------------|
| Revenue                | 9    | 6 563 462   | 6 631 175   |
| Other income           |      | 72 094      | 15 317      |
| Operating expenses     |      | (5 381 162) | (4 917 057) |
| Operating profit       | 10   | 1 254 394   | 1 729 435   |
| Investment revenue     | 11   | 126 222     | 80 468      |
| Fair value adjustments | 12   | 105 915     | 5 764       |
| Finance costs          | 13   | (2 902)     | (18 290)    |
| Profit before taxation |      | 1 483 629   | 1 797 377   |
| Taxation               | 14   | (598 498)   | (540 482)   |
| Profit for the year    |      | 885 131     | 1 256 895   |



## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Statement of Changes in Equity

|   | Property surplus | Accumulated reserves | Total equity     |
|---|------------------|----------------------|------------------|
|   | R                | R                    | R                |
| <b>Balance at 01 April 2017</b>         | <b>3 732 310</b> | <b>(1 806 438)</b>   | <b>1 925 872</b> |
| Total comprehensive income for the year | -                | 1 256 895            | 1 256 895        |
| <b>Balance at 01 April 2018</b>         | <b>3 732 310</b> | <b>(549 543)</b>     | <b>3 182 767</b> |
| Profit for the year                     | -                | 885 131              | 885 131          |
| Transfer between reserves               | (469 217)        | 469 217              | -                |
| Total comprehensive income for the year | (469 217)        | 1 354 348            | 885 131          |
| <b>Balance at 31 March 2019</b>         | <b>3 263 093</b> | <b>804 805</b>       | <b>4 067 898</b> |
| Note                                    | 7                |                      |                  |



## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Statement of Cash Flows

|   | Note | 2019<br>R | 2018<br>R   |
|---|------|-----------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |      |           |             |
| Cash generated from operations              | 16   | 1 370 349 | 1 914 619   |
| Interest income                             |      | 80 786    | 76 713      |
| Dividends received                          |      | 45 436    | 3 755       |
| Finance costs                               |      | (2 902)   | (18 290)    |
| Tax paid                                    | 17   | (540 482) | (1 931 391) |
| Net cash from operating activities          |      | 953 187   | 45 406      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b> |      |           |             |
| Purchase of property, plant and equipment   | 2    | (408 554) | -           |
| Sale of property, plant and equipment       | 2    | 50 548    | -           |
| Net movement in financial assets            |      | (1 854)   | (309)       |
| Net movement in restricted investment       |      | (553 478) | 1 583 686   |
| Net cash from investing activities          |      | (913 338) | 1 583 377   |
| Total cash movement for the year            |      | 39 849    | 1 628 783   |
| Cash at the beginning of the year           |      | 1 309 297 | (319 486)   |
| Total cash at end of the year               | 6    | 1 349 146 | 1 309 297   |



## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### 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 Non-profit Organisations Act No. 71 of 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 Rand.

These accounting policies are consistent with the previous period.

##### 1.1 Significant judgements and sources of estimation uncertainty

###### Critical judgements in applying accounting policies

In preparing the Annual Financial Statements, management is required to make critical judgements, estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements

##### 1.2 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.

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

Cost includes 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.

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 as follows:

| Item               | Depreciation method | Average useful life |
|--------------------|---------------------|---------------------|
| Land and buildings |                     | Indefinite          |
| Motor vehicles     | Straight line       | 5 years             |
| Computer equipment | Straight line       | 3 years             |

Land and buildings are not depreciated as the estimated residual value exceeds the cost.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss during the period.

The cost of equipment acquired and improvements to property is written off to profit and loss in the year of expenditure.



# Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest 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.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

### 1.4 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.



# Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

## Accounting Policies

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### 1.5 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.7 Provisions and contingencies

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event; it is probable that the organisation will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

### 1.8 Revenue

Donations and other sources of income are recognised when received.

Interest is recognised, in profit or loss, using the effective interest rate method.

Grant income is recognised during the year in which the organisation received confirmation of payment.

All other revenue is brought into account when it accrues to the organisation.

### 1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.10 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on the basis of the effective interest method.

### 1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current bank accounts which are all available for use by the organisation unless otherwise stated.



## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Notes to the Annual Financial Statements

|  | 2019<br>R | 2018<br>R |
|--|-----------|-----------|
|--|-----------|-----------|

#### 2. PROPERTY, PLANT AND EQUIPMENT

|                    | 2019             |  |                  | 2018             |                          |                  |
|--------------------|------------------|--|------------------|------------------|--------------------------|------------------|
|                    | Cost             | Accumulated depreciation and impairments | Carrying value   | Cost             | Accumulated depreciation | Carrying value   |
| Land and buildings | 2 224 875        | (469 217)                                | 1 755 658        | 2 224 875        | -                        | 2 224 875        |
| Motor vehicles     | 395 000          | (52 667)                                 | 342 333          | 1                | -                        | 1                |
| Computer equipment | 13 554           | (2 259)                                  | 11 295           | -                | -                        | -                |
| <b>Total</b>       | <b>2 633 429</b> | <b>(524 143)</b>                         | <b>2 109 286</b> | <b>2 224 876</b> | <b>-</b>                 | <b>2 224 876</b> |

#### Reconciliation of property, plant and equipment - 2019

|                    | Opening balance  | Addition       | Disposal   | Depreciation    | Impairment loss  | Closing balance  |
|--------------------|------------------|----------------|------------|-----------------|------------------|------------------|
| Land and buildings | 2 224 875        | -              | -          | -               | (469 217)        | 1 755 658        |
| Motor vehicles     | 1                | 395 000        | (1)        | (52 667)        | -                | 342 333          |
| Computer equipment | -                | 13 554         | -          | (2 259)         | -                | 11 295           |
|                    | <b>2 224 876</b> | <b>408 554</b> | <b>(1)</b> | <b>(54 926)</b> | <b>(469 217)</b> | <b>2 109 286</b> |

#### Reconciliation of property, plant and equipment - 2018

|                    | Opening balance  | Closing balance  |
|--------------------|------------------|------------------|
| Land and buildings | 2 224 875        | 2 224 875        |
| Motor vehicles     | 1                | 1                |
|                    | <b>2 224 876</b> | <b>2 224 876</b> |





## Coalition of Anglican Children's Homes (Coach)

(Registration number: 052-658-NPO)

Annual Financial Statements for the year ended 31 March 2019

### Notes to the Annual Financial Statements

|   | 2019<br>R        | 2018<br>R        |
|---|------------------|------------------|
| <b>2. PROPERTY, PLANT AND EQUIPMENT (continued)</b>   |                  |                  |
| <b>Details of properties</b>  |                  |                  |
| <b>St Joseph's Home for Children</b>  |                  |                  |
| Land and buildings situated at:   |                  |                  |
| 26 Milner Street, Sophiatown and 56 Millar Street, Sophiatown   | 194 578          | 194 578          |
| <b>St George's Home</b>   |                  |                  |
| Land and buildings situated at:   |                  |                  |
| Erf 2848, Kempton Park Extension 2  | 245 697          | 245 697          |
| Units 17B, 25 and 26 Village Drive, St George's Village   | 3                | 3                |
|   | <u>245 700</u>   | <u>245 700</u>   |
| <b>St Nicolas' Home</b>   |                  |                  |
| Land and buildings situated at:   |                  |                  |
| Erf 371, Westdene   | 889 216          | 889 216          |
| Erf 371, Westdene - impairment  | (469 217)        | -                |
| Portion 7 of Erf 1789, Triomf   | 895 381          | 895 381          |
|   | <u>1 315 380</u> | <u>1 784 597</u> |
| <p>The land and buildings are subject to the conditions and restrictions of Schedule A of article XIX of the Constitution and Canons of the Church of the Province of Southern Africa.</p> <p>Land is registered in the name of the Diocese of Johannesburg and is held in trust for the organisation. Should the land be disposed of, the proceeds will be included in the reserve (detailed in note 7) and subject to the conditions and restrictions associated with the reserve.</p> <p>The organisation has free right of use of the property.</p> |                  |                  |
| <b>3. INVESTMENTS</b>   |                  |                  |
| <b>At fair value</b>  |                  |                  |
| Allan Gray Stable Fund  | 13 227           | 12 302           |
| Coronation Market Plus Fund   | 34 107           | 32 347           |
| Sasol shares  | 250 650          | 145 566          |
|   | <u>297 984</u>   | <u>190 215</u>   |
| <b>Non-current assets</b>   |                  |                  |
| At fair value   | <u>297 984</u>   | <u>190 215</u>   |

The fair values of listed or quoted investments are based on the quoted market price at reporting period date.



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### Notes to the Annual Financial Statements

|  | 2019<br>R        | 2018<br>R      |
|--|------------------|----------------|
| <b>4. RESTRICTED INVESTMENT</b>  |                  |                |
| Call account - Deposited with the Diocese of Johannesburg  | 1 214 397        | 660 919        |
| <b>Reconciliation:</b>   |                  |                |
| Property surplus reserve   | 3 732 310        | 3 732 310      |
| Special dispensation: 2015   | (1 760 436)      | (1 760 436)    |
| Repayments: 2016   | 112 516          | 112 516        |
| Repayments: 2017   | 160 215          | 160 215        |
| Repayments: 2018   | 71 652           | 71 652         |
| Special dispensation: 2018   | (1 655 338)      | (1 655 338)    |
| Repayment: 2019  | 553 478          | -              |
|  | <u>1 214 397</u> | <u>660 919</u> |
| <p>The investment may only be utilised to purchase immovable property or investments authorised by the Trustees for the Diocese of Johannesburg.</p> <p>A special dispensation was received in 2015 to utilise R1 760 436 from the restricted investment for operating expenses. These funds are being repaid as and when surplus funding is available. R897 861 has been repaid at the end of the year.</p> <p>The restricted investment is directly linked to the property surplus reserve (note 7).</p> <p>Another special dispensation was received in 2018 to utilise R1 655 338 from the restricted funds towards the the liability payable to the South African Revenue Services.</p> |                  |                |
| <b>5. TRADE AND OTHER RECEIVABLES</b>  |                  |                |
| VAT  | 5 615            | 38 437         |
| Other receivable   | 15 342           | 84 124         |
|  | <u>20 957</u>    | <u>122 561</u> |
| <b>6. CASH AND CASH EQUIVALENTS</b>  |                  |                |
| Bank balance   | 1 349 146        | 1 309 297      |



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### Notes to the Annual Financial Statements

|  | 2019<br>R        | 2018<br>R        |
|--|------------------|------------------|
| <b>7. PROPERTY SURPLUS RESERVE</b>   |                  |                  |
| Reserve  | 3 732 310        | 3 732 310        |
| Impairment loss on Erf 371, Westdene   | (469 217)        | -                |
|  | <u>3 263 093</u> | <u>3 732 310</u> |
| <p>The reserve is subject to the conditions and restrictions of Schedule A of article XIX of the constitution and Canons of the Church of the Province of Southern Africa.</p> <p>The use of the reserve is restricted to the purchase of immovable property or investments authorised by the Trustees of the Diocese of Johannesburg.</p> |                  |                  |
| <b>8. TRADE AND OTHER PAYABLES</b>   |                  |                  |
| Accruals   | 202 378          | 183 776          |
| Amounts received in advance  | 25 868           | 486 275          |
| Trade payables   | 97 128           | 114 568          |
|  | <u>325 374</u>   | <u>784 619</u>   |
| <b>9. REVENUE</b>  |                  |                  |
| Donations and grants received  | 4 064 494        | 4 348 775        |
| Rental income  | 2 498 968        | 2 282 400        |
|  | <u>6 563 462</u> | <u>6 631 175</u> |
| <b>10. OPERATING PROFIT</b>  |                  |                  |
| <p>Operating profit for the year is stated after accounting for the following:</p>   |                  |                  |
| <b>Operating lease charges</b>   |                  |                  |
| Equipment  |                  |                  |
| • Contractual amounts  | 56 491           | 53 603           |
|  | <u>56 491</u>    | <u>53 603</u>    |
| Profit on disposal of property, plant and equipment  | (50 547)         | -                |
| Impairment on property, plant and equipment  | 469 217          | -                |
| Depreciation on property, plant and equipment  | 54 926           | -                |
| Employee costs   | 3 115 404        | 3 165 636        |
|  | <u>3 115 404</u> | <u>3 165 636</u> |



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### Notes to the Annual Financial Statements

|   | 2019<br>R | 2018<br>R |
|---|-----------|-----------|
| <b>11. INVESTMENT REVENUE</b>                             |           |           |
| <b>Dividend revenue</b>                                   |           |           |
| Listed financial assets - Local                           | 45 436    | 3 755     |
| <b>Interest revenue</b>                                   |           |           |
| The Diocese of Johannesburg                               | 79 038    | 76 438    |
| Investment interest                                       | 1 748     | 275       |
|   | 80 786    | 76 713    |
|   | 126 222   | 80 468    |
| <b>12. FAIR VALUE ADJUSTMENTS</b>                         |           |           |
| Investments   | 105 915   | 5 764     |
| <b>13. FINANCE COSTS</b>                                  |           |           |
| Bank  | 2 902     | 2 646     |
| The Diocese of Johannesburg                               | -         | 15 644    |
|   | 2 902     | 18 290    |
| <b>14. TAXATION</b>                                       |           |           |
| <b>Major components of the tax expense</b>                |           |           |
| <b>Current taxation</b>                                   |           |           |
| South African normal tax - year                           | 598 498   | 540 482   |
| <b>Reconciliation of the tax expense</b>                  |           |           |
| Reconciliation between accounting profit and tax expense. |           |           |
| Accounting profit   | 1 483 629 | 1 797 377 |
| Tax at the applicable tax rate of 28% (2018: 28%)         | 415 416   | 503 266   |
| <b>Tax effect of adjustments on taxable income</b>        |           |           |
| Accounting loss attributable to non-trading activities    | 279 230   | 131 474   |
| Allowances claimed against trading income                 | (96 148)  | (94 258)  |
|   | 598 498   | 540 482   |

The organisations receipts and accruals are exempt from normal tax in terms of section 10(1)(cN) of the Income Tax Act, except for rental income, which constitutes trading income.

The trading income is taxable at normal company rates after the PBO exempt portion.



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### Notes to the Annual Financial Statements

|  | 2019<br>R        | 2018<br>R          |
|--|------------------|--------------------|
| <b>15. AUDITOR'S REMUNERATION</b>  |                  |                    |
| Fees   | 54 450           | 49 500             |
| <b>16. CASH GENERATED FROM OPERATIONS</b>  |                  |                    |
| Profit before taxation   | 1 483 629        | 1 797 377          |
| <b>Adjustments for:</b>  |                  |                    |
| Depreciation   | 54 926           | -                  |
| Profit on sale of property, plant and equipment  | (50 547)         | -                  |
| Dividends received   | (45 436)         | (3 755)            |
| Interest received  | (80 786)         | (76 713)           |
| Finance costs  | 2 902            | 18 290             |
| Fair value adjustments   | (105 915)        | (5 764)            |
| Impairment loss  | 469 217          | -                  |
| <b>Changes in working capital:</b>   |                  |                    |
| Inventories  | -                | 34 619             |
| Trade and other receivables  | 101 604          | (70 288)           |
| Trade and other payables   | (459 245)        | 220 853            |
|  | <u>1 370 349</u> | <u>1 914 619</u>   |
| <b>17. TAX PAID</b>  |                  |                    |
| Balance at beginning of the year   | (540 482)        | (1 931 391)        |
| Current tax for the year recognised in profit or loss  | (598 498)        | (540 482)          |
| Balance at end of the year   | 598 498          | 540 482            |
|  | <u>(540 482)</u> | <u>(1 931 391)</u> |
| <b>18. COMMITMENTS</b>   |                  |                    |
| <b>Restricted investment</b>   |                  |                    |
| <p>The organisation is committed to repaying funds amounting to R2 517 913 (2018: R3 071 391) into the restricted investment. During the prior years, special dispensation was given for these funds to be utilised for operating expenses on condition that the amount must be repaid once surplus funding becomes available.</p> |                  |                    |
| <b>Operating leases – as lessee (expense)</b>  |                  |                    |
| <p>Operating lease payments represent rentals payable by the organisation for certain of its office properties.</p>  |                  |                    |
| <p>No contingent rent is payable.</p>  |                  |                    |



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### Notes to the Annual Financial Statements

|   | 2019<br>R | 2018<br>R                                    |
|---|-----------|--|
| <b>19. RELATED PARTIES</b>                            |           |  |
| <b>Relationships</b>                                  |           |  |
| Common Members/Trustees                               |           | Grace Village Management Proprietary Limited |
| Close relationship with the organisation              |           | The Diocese of Johannesburg                  |
| <b>Related party transactions</b>                     |           |  |
| <b>Interest paid to (received from) related party</b> |           |  |
| The Diocese of Johannesburg                           | (79 038)  | (76 438)                                     |
| The Diocese of Johannesburg                           | -         | 15 644                                       |
| <b>Rent received from related party</b>               |           |  |
| Grace Village Management Proprietary Limited          | 2 377 968 | 2 222 400                                    |



## Coalition of Anglican Children's Homes (Coach)

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### Detailed Statement of Comprehensive Income

|   | Note | 2019<br>R        | 2018<br>R        |
|---|------|------------------|------------------|
| <b>REVENUE</b>                                      |      |                  |                  |
| Donations and grants                                |      | 4 064 494        | 4 348 775        |
| Rental income                                       |      | 2 498 968        | 2 282 400        |
|   | 9    | <u>6 563 462</u> | <u>6 631 175</u> |
| <b>OTHER INCOME</b>                                 |      |                  |                  |
| Dividends received                                  | 11   | 45 436           | 3 755            |
| Fair value adjustments                              | 12   | 105 915          | 5 764            |
| Interest received                                   | 11   | 80 786           | 76 713           |
| Insurance refunds                                   |      | 15 621           | 12 026           |
| Other income  |      | 5 926            | 3 291            |
| Profit on disposal of property, plant and equipment |      | 50 547           | -                |
|   |      | <u>304 231</u>   | <u>101 549</u>   |
| Expenses (Refer to page 22)                         |      | (5 381 162)      | (4 917 057)      |
| Operating profit                                    | 10   | <u>1 486 531</u> | <u>1 815 667</u> |
| Finance costs                                       | 13   | (2 902)          | (18 290)         |
| Profit before taxation                              |      | <u>1 483 629</u> | <u>1 797 377</u> |
| Taxation  | 14   | (598 498)        | (540 482)        |
| Profit for the year                                 |      | <u>885 131</u>   | <u>1 256 895</u> |

The supplementary information presented does not form part of the annual financial statements and is unaudited





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### Detailed Statement of Comprehensive Income

|  | Note | 2019<br>R        | 2018<br>R        |
|--|------|------------------|------------------|
| <b>OPERATING EXPENSES</b>                      |      |                  |                  |
| Administration and management fees             |      | 3 184            | 4 035            |
| Advertising                                    |      | 4 548            | 7 098            |
| Auditor's remuneration                         | 15   | 54 450           | 49 500           |
| Bank charges                                   |      | 30 820           | 19 671           |
| Cleaning                                       |      | 45 359           | 50 314           |
| Clothing, food and other household expenditure |      | 339 646          | 397 712          |
| Computer expenses                              |      | 1 400            | 10 670           |
| Conference and workshops                       |      | 21 186           | 33 772           |
| Consulting fees                                |      | 45 801           | 73 061           |
| Depreciation and impairments                   |      | 524 143          | -                |
| Employee costs                                 |      | 3 115 404        | 3 165 636        |
| Entertainment                                  |      | 12 669           | 19 669           |
| Equipment purchased                            |      | 458              | 1 590            |
| Insurance                                      |      | 20 459           | 66 139           |
| Lease rentals on operating lease               |      | 56 491           | 53 603           |
| Legal expenses                                 |      | 2 317            | 23 317           |
| Medical expenses                               |      | 34 122           | 35 588           |
| Motor vehicle expenses                         |      | 68 198           | 93 040           |
| Municipal expenses                             |      | 416 473          | 334 692          |
| Printing and stationery                        |      | 42 075           | 33 457           |
| Processing fees                                |      | -                | 139              |
| Repairs and maintenance                        |      | 155 810          | 147 849          |
| Security                                       |      | 79 545           | 55 586           |
| Staff welfare                                  |      | -                | 2 518            |
| Telephone and fax                              |      | 172 848          | 165 148          |
| Training                                       |      | 127 693          | 68 621           |
| Travel - local                                 |      | 6 063            | 4 632            |
|  |      | <u>5 381 162</u> | <u>4 917 057</u> |

