

BEAUTIFUL GATE SOUTH AFRICA
(Reg no: 005-086 NPO)
An Association Established under
"THE NONPROFIT ORGANISATIONS ACT 1997"

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

George W Cloete
Chartered Accountant (SA)
Registered Auditor
Box 349
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ADMINISTRATION

Board Members	T. Brouwer - (Chairperson) R.B. Couves - (Treasurer) A. Brouwer I. Daniels S. Ngeto V. Stannard R. Wood
Postal address	P.O.Box 263 Muizenberg 7950
Bankers	Standard Bank
Auditor	George W Cloete 10 Station Road Maitland 7405

CHAIRPERSON'S REPORT

The annual financial statements on pages 3 to 7 have been approved by the board and are signed on its behalf by:



CHAIRPERSON
3 August 2008

GEORGE W CLOETE
CHARTERED ACCOUNTANT (S A)
Practice No: 950262

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**REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD AND MEMBERS OF
BEAUTIFUL GATE SOUTH AFRICA**

I have audited the annual financial statements of Beautiful Gate South Africa at 31 March, 2008 and for the year then ended, set out on pages 3 to 6. These financial statements are the responsibility of the members of the Board of Beautiful Gate South Africa. My responsibility is to report on these financial statements based on my audit.

Scope

I conducted my audit in accordance with statements of South African Auditing Standards. These standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes :

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statements presentation.

I believe that my audit provides a reasonable basis for my opinion.

Audit opinion

In my opinion, the financial statements fairly present, in all material aspects, the financial position of the South Africa at 31 March 2008, and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Supplementary information

The supplementary schedule set out on page 7 does not form part of the annual financial statements and is presented as additional information. I have not audited this schedule and accordingly do not express an opinion on it.


GEORGE W CLOETE
REGISTERED AUDITOR

CAPE TOWN

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BALANCE SHEET AS AT 31 MARCH 2008

	NOTES	2008 R	2007 R
ASSETS			
Non-current assets	3	12,562,170	12,562,170
Current assets		1,054,624	1,316,002
Cash and cash equivalents	4	872,122	1,165,997
Accounts receivable		493	99,896
Deposit		-	5,925
Vat refundable		182,009	44,184
		13,616,794	13,878,172
EQUITY AND LIABILITIES			
Accumulated funds	2.1	12,568,419	12,386,540
Building fund	2.2	-	118,507
Designated fund		235,000	-
Non-interest bearing borrowings	6	733,333	1,100,000
Current liabilities		80,042	273,125
Accounts payable		80,042	75,926
Students accounts	5	-	197,199
		13,616,794	13,878,172

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INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

NOTES	2008 R	2007 R
INCOME	4,291,219	3,922,975
Profit before taking into account the following:-	(11,783)	(130,969)
OTHER INCOME	102,217	107,047
Interest Received	102,217	107,047
EXPENSES	4	21,939
Interest Paid	4	21,939
NET SURPLUS / (DEFICIT)	90,430	(45,861)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**1. Accounting policies**

The accounting records are maintained on the historical cost basis. Income and expenditure are accounted for on the accrual basis.

Income

This consists of donations from individuals, churches, business concerns, government subsidies, fees for DTS schools and boarding contributions from interns and staff. Donations received in cash constitute less than 3% of total income received.

Fixed assets

Fixed assets other than land and buildings are written off at acquisition.

No depreciation is provided for on land and buildings.

2. Funds**2.1 Accumulated funds**

	2008 <u>R</u>	2007 <u>R</u>
Balance at the beginning of the year	12,386,540	12,561,146
Surplus / (Deficit) for the year	90,430	(45,861)
Fixed Assets written off	(27,058)	(128,745)
Transfer from Building fund	118,507	-
Balance at the end of the year	<u>12,568,419</u>	<u>12,386,540</u>

2.2 Building fund

Balance at the beginning of the year	118,507	118,507
Transfer to accumulated Funds	(118,507)	-
Balance at the end of the year	<u>-</u>	<u>118,507</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

(Continued)

3. Non-current assets

	2008			2007		
	Cost	Transfer to accumulated funds	Carrying value	Cost	Transfer to accumulated funds	Carrying value
<i>Owned assets</i>						
Land and buildings	12,562,170	-	12,562,170	12,562,170	-	12,562,170
Furniture and fittings	1,029,454	1,029,454	-	1,002,396	1,002,396	-
Office and computer equipment	650,993	650,993	-	650,993	650,993	-
Medical equipment	47,217	47,217	-	47,217	47,217	-
Motor vehicles	738,453	738,453	-	738,453	738,453	-
	<u>15,028,287</u>	<u>2,466,117</u>	<u>12,562,170</u>	<u>15,001,229</u>	<u>2,439,059</u>	<u>12,562,170</u>

The carrying amounts of non-current assets can be reconciled as follows:

	Carrying value 01/04/2007	Additions	Revaluations	Disposals	Transfer to accumulated funds	Carrying value 31/03/2008
<i>Owned assets</i>						
Land and buildings	12,562,170	-	-	-	-	12,562,170
Furniture and fittings	-	27,058	-	-	27,058	-
Office and computer equipment	-	-	-	-	-	-
Medical equipment	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-
	<u>12,562,170</u>	<u>27,058</u>	<u>-</u>	<u>-</u>	<u>27,058</u>	<u>12,562,170</u>

4. Cash and cash equivalents

	2008 R	2007 R
Savings	738,258	971,055
Market link	59,989	63,643
Market link - Eskom	46,566	42,905
Current account - Beautiful Gate South Africa	23,375	56,902
Cash on hand	3,934	31,492
	<u>872,122</u>	<u>1,165,997</u>

5. Students' trust accounts

This represents funds collected on behalf of students from which Beautiful Gate South Africa pays expenses incurred on their behalf.

6. Post balance sheet event

The non interest bearing loan was converted in April 2007 to a donation to be received in 3 equal annual installments of R366,667.

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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008**NOTES**

	2008	2007
	R	R
INCOME	4,393,436	4,030,022
Donations - local and foreign	1,154,742	1,295,339
Donations - De Schone Poort	289,750	221,785
Designated Income	1,291,309	769,328
Sponsor a child programme	89,376	52,821
Sponsor a child programme - De Schone Poort	331,178	260,048
Schools	69,857	401,463
Boarding contributions from intern staff / schools	72,245	198,630
Government subsidy	992,762	723,561
Interest received	102,217	107,047
EXPENSES	4,303,006	4,075,883
Affiliation fees (incl BGI and YWAM)	112,258	201,915
Support costs	126,431	145,247
Interest paid	4	21,939
Medical and community care project	786,874	507,480
Training project - HIV/AIDS Schools	6,879	148,749
Training project - DTS schools	65,365	224,247
Church mobilisation project	154,539	104,068
Residential care project Muizenberg	812,929	564,374
Residential care project Crossroads	2,120,468	2,015,079
Education project	117,259	142,785
NET SURPLUS / (DEFICIT)	90,430	(45,861)