Beautiful Gate Ministry

(Registration number 005-086 NPO)

Trading as Beautiful Gate South Africa

Financial statements
for the year ended 31 December 2022

Pierre R. Retief & Co.
Chartered Accountants (SA)
Registered Auditors
The financial statements are audited.
Issued 19 June 2023

Beautiful Gate Ministry

(Registration number: 005-086 NPO)
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Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Caring for vulnerable children and youth, empowering families and mobilising community responses.
Board members	T. Brouwer S.M. Farrell A.W. Kupe S.J. Black S. N. Moshodi-Mzongwana M.V. Koela V.P. Stannard R.B. Couves (on sabbatical)
Business address	73 Stock Road Lower Crossroads, Philippi-East 7785
Postal address	P.O. Box 144 Mitchells Plain Cape Town 7789
Auditors	Pierre R. Retief & Co. Chartered Accountants (SA) Registered Auditors
Organisation registration number	005-086 NPO
Level of assurance	The financial statements are audited.
Issued	19 June 2023
Income tax status	Public Benefit Organisation Ref no: 130002944

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Board member's Responsibilities and Approval

The board members are required by the Non-Profit Organisations Act No 71 of 1997 to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and the 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 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 accounting policies as set out in Note 1 to the Annual Financial Statements. 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 accounting policies as set out in Note 1 to the Annual Financial Statements and are consistently applied and supported by reasonable and prudent judgements and estimates.

The board 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 board members to meet these responsibilities, the board members set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These 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 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 assurance and not absolute assurance against misstatement or loss.

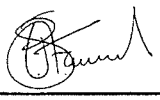
The financial statements have been prepared on the going concern basis, since the board members have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

The board members of the organisation confirm that as at 31 December 2022, the assets of the corporation exceeded its liabilities.

The financial statements set out on pages 4-15, were approved by board members on 19 June 2023 and have been signed by them or on their behalf by:

Approval of financial statements

Member



Member

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Chairperson's Report

The board submits their report for the year ended 31 December 2022.

1. Review of activities

Main business and operations

Beautiful Gate Ministry is a registered Non-Profit Organisation, caring for vulnerable children and youth, empowering families and mobilising community responses.

The operating results and state of affairs of the organisation are fully set out in the Annual Financial Statements and do not in our opinion require any further comment.

Net profit of the organisation was R105 400 (2021: profit R116 555), after taxation of R- (2021: R-).

2. Going concern

The 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 board is not aware of any new material changes that may adversely impact the organisation.

The board is also not aware of any non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

3. Events after the reporting period

The board is not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

4. Accounting policies

The Annual Financial Statements have been prepared in accordance with Note 1 to the Annual Financial Statements 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.

5. Non-current assets

There has been no change in the nature of the fixed assets during the period.

6. Members

The Management Committee of the organisation during the year and to the date of this report are as follows:

Name	Position
T. Brouwer	Board Chairperson
S.M. Farrell	Vice-Chairperson
A.W. Kupe	
S.J. Black	Treasurer
S. N. Moshodi-Mzongwana	
M.V. Koela	Executive Director
V.P. Stannard	Director of Collaboration (Executive)
R.B. Couves (on sabbatical)	

7. Auditors

Pierre R Retief & Co will continue in office.

Pierre R Retief & Kie

GEOKTROOIEERDE REKENMEESTERS (SA) / GEREGISTREERDE OUDITEURE
CHARTERED ACCOUNTANTS (SA) / REGISTERED AUDITORS

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Independent Auditor's Report

To the board members of Beautiful Gate Ministry

Opinion

We have audited the financial statements of Beautiful Gate Ministry set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2022, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beautiful Gate Ministry as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the requirements of the Non-Profit Organisations Act 71 of 1997.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's responsibilities for the audit of the Financial Statements

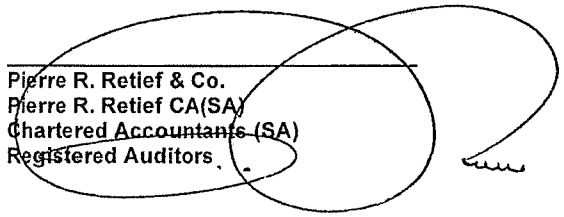
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

We communicate with the board 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.



Pierre R. Retief & Co.
Pierre R. Retief CA(SA)
Chartered Accountants (SA)
Registered Auditors

19 June 2023

Beautiful Gate Ministry

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Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	12 272 170	12 272 170
Investments	3	9 691 874	7 760 836
		21 964 044	**20 033 006**
Current Assets			
Trade and other receivables	4	2 969 059	3 177 069
Cash and cash equivalents	5	1 623 935	3 924 511
		4 592 994	**7 101 580**
Total Assets		**26 557 038**	**27 134 586**
Equity and Liabilities			
Capital and reserves			
Reserves and funds	6	22 270 824	22 893 447
Retained income		2 729 801	2 624 401
		25 000 625	**25 517 848**
Liabilities			
Current Liabilities			
Trade and other payables	7	798 869	542 126
Deferred Income		757 544	1 074 612
		1 556 413	**1 616 738**
Total Equity and Liabilities		**26 557 038**	**27 134 586**

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	8	16 883 028	14 021 007
Other income	9	18 000	-
Operating expenses		(16 862 905)	(13 649 296)
Operating profit		**38 123**	**371 711**
Investment revenue		187 277	244 844
Income from equity accounted investments		(120 000)	(500 000)
Profit for the year		**105 400**	**116 555**

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Statement of Changes in Equity

Figures in Rand	Reserves and funds	Retained income	Total equity
Balance at 01 January 2021	**19 044 039**	**2 507 846**	**21 551 885**
Profit for the year	-	116 555	116 555
Other comprehensive income	3 849 408	-	3 849 408
Total comprehensive income for the year	**3 849 408**	**116 555**	**3 965 963**
Balance at 01 January 2022	**22 893 447**	**2 624 401**	**25 517 848**
Profit for the year	-	105 400	105 400
Other comprehensive income	(622 623)	-	(622 623)
Total comprehensive income for the year	**(622 623)**	**105 400**	**(517 223)**
Balance at 31 December 2022	**22 270 824**	**2 729 801**	**25 000 625**

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from (used in) operations	11	484 876	(225 261)
Interest income		187 277	244 844
Transfer to reserves		(120 000)	(500 000)
Net cash from operating activities		**552 153**	**(480 417)**
Cash flows from investing activities			
Sale of property, plant and equipment	2	18 000	-
Increase in financial assets		(1 931 038)	(5 443 723)
Net movement in reserves and funds		(622 623)	3 849 408
Net cash from investing activities		**(2 535 661)**	**(1 594 315)**
Cash flows from financing activities			
Net movement on deferred income		(317 068)	483 135
Net cash from financing activities		**(317 068)**	**483 135**
Total cash movement for the year		**(2 300 576)**	**(1 591 597)**
Cash at the beginning of the year		3 924 511	5 516 108
Total cash at end of the year	5	**1 623 935**	**3 924 511**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The organisation applied an entity specific basis of accounting as described hereunder.

The financial statements have been prepared on the historical cost basis, except where otherwise indicated. The financial statements are prepared on the accrual basis in terms of which effects of transactions and other events are recognised when they occur and they are recorded and reported in the periods to which they relate,

Their principal business activity is caring for vulnerable children and youth, empowering families and mobilising community responses.

The financial statements are presented in South African Rands.

The financial statements have been prepared on the basis of accounting polices 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 the business.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

All office equipment, motor vehicles and computer equipment is expensed in its year of purchase. A fixed asset register is maintained by the organisation, however no annual depreciation expense is incurred.

1.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents include cash on hand, deposits held at call with banks.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured.

This consists of donations from individuals, churches, business concerns, government subsidies and rental of office premises. Donations received in cash constitute less than 3% of total income received.

1.4 Taxation

The organisation enjoys a section 10(1)(cN) of the Income Tax Act exemption status and hence no taxation or deferred taxation is raised in the financial statements.

Notes to the Financial Statements

Figures in Rand	2022	2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land and buildings	12 272 170	-	12 272 170	12 272 170	-	12 272 170
Furniture and fixtures	661 800	(661 800)	-	661 800	(661 800)	-
Motor vehicles	843 894	(843 894)	-	183 000	(183 000)	-
Office equipment	493 461	(493 461)	-	253 100	(253 100)	-
Total	**14 271 325**	**(1 999 155)**	**12 272 170**	**13 370 070**	**(1 097 900)**	**12 272 170**

Detail of land and buildings

Erf 3719, Phillipi, in the municipality of City of Cape Town, Western Cape, measuring 2,1302ha.	12 272 170	12 272 170

3. Investments

At fair value		
Ninety One Investment Platform (Pty) Ltd listed shares at market value	9 691 874	7 760 836

4. Trade and other receivables

Trade receivables	112 504	130 889
Employee costs in advance	13 474	3 000
VAT	213 718	195 511
Donations receivable	2 609 605	2 843 745
Other receivable	19 758	3 924
	2 969 059	**3 177 069**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 030	6 464
Bank balances	801 456	685 875
Short-term deposits	819 449	3 232 172
	1 623 935	**3 924 511**

Notes to the Financial Statements

Figures in Rand	2022	2021
6. Reserves and funds		
Operating Reserve This reserve is an accumulation of funds with the aim to hold an amount equivalent of 3 to 6 months of budgeted expenditure on recurring activities to enable the organisation to absorb temporary downturns in income or cash flow, or in the value of the organisations investments, without having to reduce programme expenditure.	4 600 906	4 480 906
Property and Equipment Fund This fund represents the extent to which funds are invested in property (land and buildings) and other capital equipment and so not available for other purposes. This fund will be equal to the carrying value of the property and equipment.	12 272 170	12 272 170
Fair Value Reserve This reserve is unrealised (and so will only be realised when the related asset is sold), so is unavailable for use. This relates to the funds invested at Ninety One Investment Platform (Pty) Ltd.	691 875	760 837
Youth Safe Park Building Reserve This reserve is for funds designated for the Youth Safe Park building project. The first phase of the project is estimated at R10 million. This fund will grow as further donations are received specifically for this project and the funds will be spent when the project breaks ground.	3 500 000	3 500 000
Building Improvement Reserve This reserve is for building Improvements required on the Beautiful Gate site above and beyond annual maintenance.	234 750	750 000
Ububele Fund This reserve allows for generosity in the next financial year and may include study support for alumni beneficiaries, financial support to other Beautiful Gate associations and seed funding for community projects. The fund is administered by the Executive Leadership of Beautiful Gate, with oversight by the Board.	118 034	179 534
IT Infrastructure Reserve This reserve allows for IT infrastructure upgrades for the Youth Resource Centre and IT needs of the organisation.	103 089	200 000
Salary Equity Reserve This reserve allows for salary equity adjustments following a salary review process to ensure that staff are paid fairly according to the organisation's pay model and NPO salary surveys.	750 000	750 000
	22 270 824	**22 893 447**
7. Trade and other payables		
Trade payables	675 296	290 951
Deposits received	10 700	10 700
Other payables	112 873	240 475
	798 869	**542 126**

Notes to the Financial Statements

Figures in Rand	2022	2021
8. Revenue		
Unrestricted donations	10 218 784	8 214 552
Restricted donations	3 225 267	1 807 291
National Lotteries Commission	-	559 738
Contribution for services	1 180 251	1 040 232
Government grants	2 258 726	2 399 194
	16 883 028	**14 021 007**
9. Other income		
Profit and loss on sale of assets and liabilities	18 000	-
10. Taxation		
No provision has been made for 2022 tax as the organisation is exempt from Income Tax in terms of Section 10(1)(cN) of the Income Tax Act 58 of 1962.		
11. Cash generated from (used in) operations		
Profit before taxation	105 400	116 555
Adjustments for:		
Profit on sale of assets	(18 000)	-
Income from equity accounted investments	120 000	500 000
Interest received	(187 277)	(244 844)
Changes in working capital:		
Trade and other receivables	208 010	(614 172)
Trade and other payables	256 743	17 200
	484 876	**(225 261)**

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Unrestricted Income		10 218 784	8 214 552
Restricted Donations		3 225 267	1 807 291
National Lotteries Commission		-	559 738
Government Grants		2 258 726	2 399 194
Contributions for Services		1 180 251	1 040 232
	8	**16 883 028**	**14 021 007**
Other income			
Interest received		187 277	244 844
Gains on disposal of assets		18 000	-
		205 277	**244 844**
Operating expenses			
Auditors remuneration		(15 000)	(15 000)
Community Medical Care		(660 020)	(462 088)
Community Family Support		(6 167 181)	(5 478 862)
Community Family Empowerment - Impilo		(772 243)	-
Learner Education Support - Primary		(3 664 704)	(3 373 077)
Learner Education Support - High		(1 845 349)	(1 439 329)
Sports and Life Skills		(612 567)	-
Community Collaboration		(2 014 853)	(2 337 834)
Sustainability Projects		(1 110 988)	(543 106)
		(16 862 905)	**(13 649 296)**
Operating profit		**225 400**	**616 555**
Transfer to reserves		(120 000)	(500 000)
Profit for the year		**105 400**	**116 555**

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