BEAUTIFUL GATE MINISTRY

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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BEAUTIFUL GATE MINISTRY
(Registration number 005-086 NPO)
Annual Financial Statement for the year ended 31 December 2016

Contents

The report and statements below comprise the annual financial statements presented:

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GEORGE W CLOETE

Chartered Accountant (SA)

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REPORT OF THE INDEPENDENT AUDITOR

TO THE BOARD AND MEMBERS OF

BEAUTIFUL GATE MINISTRY

We have audited the annual financial statements of Beautiful Gate Ministry, which comprise the chairperson's report, the Statement of Financial Position as at 31 December 2016, and the Statement of Comprehensive Income and Retained Earnings for the period.

Board members' responsibility for the financial statements

The board members are responsible for the preparation of these financial statements in accordance with the basis of accounting as set out in note 1 and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. This responsibility includes determining that the basis of accounting described in note 1 to the financial statements is an acceptable basis for preparing and presenting financial statements in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Beautiful Gate Ministry have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements as at 31 December 2016 and its financial performance for the period then ended in accordance with the basis of accounting as described in note 1.

GEORGE W CLOETE
Registered Auditor
Practice No: 950262

CAPE TOWN
15 May 2017

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Chairperson's Report

The board submit their report for the year ended 31 December 2016.

BUSINESS ACTIVITIES

Beautiful Gate Ministry is a registered NPO caring for vulnerable children and youth, empowering families and mobilising community responses.

FINANCIAL RESULTS

The financial results of the entity and the state of affairs of the entity, are set out in the attached financial statements.
In the light of the current financial position of the entity, the board is satisfied that the entity is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

GENERAL REVIEW

No material fact or circumstance has occurred between the date of the financial statements and the issue of this report, which in the opinion of the board, need be disclosed for a proper appreciation of the entity's affairs.

FIXED ASSETS

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

BOARD MEMBERS

The following acted as board members during the period:

V. Stannard - (Executive Director)
T. Brouwer - (Board Chairperson)
S. Farrell - (Vice Chairperson)
R.B. Couves - (Board Treasurer)
M. Koela
E. Ntshuntshe
A. Mdaka

AUDITORS

George W Cloete will continue in office.

BUSINESS AND POSTAL ADDRESS

P.O.Box 144
Mitchells Plain, 7789

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Boards Responsibilities and Approval

The board members are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the financial statements of Beautiful Gate Ministry. The financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on judgements and estimates made by management. The board members also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members 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. 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. The controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the board's business is conducted in a manner that in all reasonable circumstances is above reproach.
The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity 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 and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the financial statements. The board members have no reason to believe that the entity will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the entity is supported by the financial statements.

The financial statements have been audited by the independent accounting firm, George W Cloete, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of members, the members of the board and committees of the board. The board members believe that all representations made to the independent auditors during their audit were valid and appropriate. George W Cloete's unqualified audit report is presented.

The financial statements were approved on 22 May 2017 by the board members and are signed on its behalf by:

Member Member

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Statement of financial position

Figures in Rand	Note(s)	2016	2015
ASSETS			
Non-current assets	3	**14,461,341**	**14,441,520**
Non-current assets		12,272,170	12,272,170
Investments	7	2,189,171	2,169,350
Current assets		**2,939,870**	**1,427,104**
Cash and cash equivalents	4	1,506,397	632,686
Trade and other receivables	8	1,134,368	491,844
Vat refundable		299,105	302,574
		17,401,211	**15,868,624**
EQUITY AND LIABILITIES			
Accumulated funds	2.1	**14,865,297**	**14,580,029**
Reserve		**1,120,906**	**1,000,906**
Current liabilities		**1,415,008**	**287,689**
Trade and other payables		323,537	101,629
Rental deposits		6,300	6,300
Restricted funds	6	1,085,171	-
Department of Social Development conduit contracts	5	-	179,760
		17,401,211	**15,868,624**

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Statement of comprehensive income and retained earnings

Figures in Rand	Note(s)	2016	9 Months 2015
Revenue			
Unrestricted donations		4,175,577	1,741,507
Restricted donations		2,160,599	1,252,911
Government grant		1,437,565	541,247
Contributions for services		750,092	691,481
		8,523,833	**4,227,145**
Other income			
Profit on the sale of land and buildings		-	-
Interest received		96,774	29,572
		8,620,607	**4,256,718**
Operating expenses			
Child & Youth Care		-	69,904
Community Family Support		2,284,952	1,002,553
Community Medical Care		532,327	526,172
Learner Education Support - Primary		3,472,180	1,852,256
Learner Education Support - Youth		1,615,317	780,849
Sustainability Projects		418,563	217,355
Audit Fee		12,000	12,000
		8,335,339	**4,461,089**
Profit / (Loss) for the period		**285,268**	**(204,371)**
Less: Transfer profit on sale of land and buildings to accumulated funds		-	-
Profit / (Loss) for the period		**285,268**	**(204,371)**

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Accounting policies and explanatory notes

1. Accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Constitution. The financial statements have been prepared under the historical cost convention. All income and expenditure is recorded using the cash flow basis of accounting.
They are presented in South African Rands.

1.2 Office equipment, motor vehicles and computer 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.

1.3 Income

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. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off during the year in which they are identified. The entity will only establish debtors accounts for donors who have formally committed funding.

1.5. Cash and cash equivalents

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

1.6. Deferred tax and taxation

The organisation enjoys a section 10(1)(cN) exemption status with the South African Revenue Services and hence no taxation or deferred taxation is raised in the financial statements.

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Accounting policies and explanatory notes

1.7. Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. The Trust will only apply for credit facilities under exceptional circumstances.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2. Funds

2.1 Accumulated funds	**2016** R	**2015** R
Balance at the beginning of the year	14,580,029	14,784,400
Surplus / (Deficit) for the period	285,268	(204,371)
Transfer from profit and loss on sale of fixed asset	-	-
Balance at the end of the year	**14,865,297**	**14,580,029**

3. Non-current assets

	2016			2015		
Owned assets	Cost	Transfer to accumulated funds	Carrying value	Cost	Transfer to accumulated funds	Carrying value
Land & buildings	12,272,170	-	12,272,170	12,272,170	-	12,272,170
Furniture & fittings	1,029,454	1,029,454	-	1,029,454	1,029,454	-
Office & computers	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	-
	14,738,287	2,466,117	12,272,170	14,738,287	2,466,117	12,272,170

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

	Carrying value 31/12/2015	Additions	Disposals	Transfer to accumulated funds	Carrying value 31/12/2016
Owned assets					
Land and buildings	12,272,170	-	-	-	12,272,170
Furniture and fittings	-	-	-	-	-
Office & computer equipment	-	-	-	-	-
Medical equipment	-	-	-	-	-
Motor vehicles	-	-	-	-	-
	12,272,170	-	-	-	12,272,170

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Accounting policies and explanatory notes

Figures in Rand	Note(s)	2016	2015
4. Cash and cash equivalents			
Money Market		483,846	407,910
Market link		1,260	1,260
Market link - Eskom		48,094	43,827
Deposit call account		61,344	56,458
Current account - Beautiful Gate Ministry		232,658	120,025
Current account - designated		676,979	-
Cash on hand		2,216	3,206
		1,506,397	**632,686**
5. Department of Social Development Conduit Contract			
Beautiful Gate Ministry administers funds on behalf of the Department of Social Development for nutrition support and trauma room projects.			
Balance at the beginning of the period		179,760	179,760
Income		-	-
Expenditure		(179,760)	-
Balance at the end of the period		**-**	**179,760**
6. Restricted Funds			
Donations received in advance for specific projects			
The Learning Trust		191,667	-
The Rolf-Stephan Nussbaum Foundation		163,636	-
AECI		225,000	-
Department of Social Development - Isibindi project		504,868	-
		1,085,171	**-**
7. Investments			
Investec listed shares - Cost		1,600,000	1,600,000
Investec listed shares - Market Value		2,189,171	2,169,350
8. Trade and other receivables			
Stichting Dioraphte		65,113	300,000
Take a lot		782,975	-
Global exploration		70,422	-
Beautiful Gate UK		113,384	101,215
Sundry debtors		102,474	90,629
		1,134,368	491,844

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