

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 2015

BEAUTIFUL GATE SOUTH AFRICA

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(Registration number 005-086 NPO)

Annual Financial Statements for the year ended 31 March 2015

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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 SOUTH AFRICA

We have audited the annual financial statements of Beautiful Gate South Africa, which comprise the chairpersons' report, the statement of financial position as at 31 March 2015, and the Statement of Comprehensive Income and Retained Earnings for the year.

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 South Africa 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 March 2015 and its financial performance for the year then ended in accordance with the basis of accounting as described in note 1.

Emphasis of Matter

Without qualifying our opinion, we emphasise that the basis of accounting and the presentation and disclosures contained in the financial statements are not intended to, and do not, comply in certain respects with the requirements of South African Statements of Generally Accepted Accounting Practice.



GEORGE W CLOETE
Registered Auditor
Practice No: 950262

CAPE TOWN
8 September 2015

Chairperson's Report

The board submit their report for the year ended 31 March 2015.

BUSINESS ACTIVITIES

Beautiful Gate South Africa 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 existing borrowing facilities, 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 year.

BOARD MEMBERS

The following acted as board members during the year:

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

AUDITORS

George W Cloete will continue in office.

BUSINESS AND POSTAL ADDRESS

P.O.Box 144
Mitchells Plain, 7789

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 South Africa. 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.

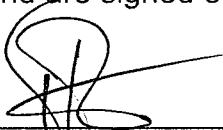
The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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.

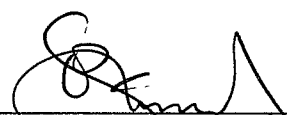
The going concern basis has been adopted in preparing the financial statements. The board members have no reason to believe that the entity will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the entity is supported by the financial 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 shareholders, the board of board members 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 21/09/2015 by the board members and are signed on its behalf by:



Member



Member

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Annual Financial Statement for the year ended 31 March 2015

Statement of financial position

Figures in Rand	Note(s)	2015	2014
ASSETS			
Non-current assets	3	14 272 894	14 068 716
Non-current assets		12 272 170	12 272 170
Investments	7	2 000 724	1 796 546
Current assets		1 728 710	2 298 060
Cash and cash equivalents	4	1 271 154	1 515 361
Trade and other receivables	8	154 290	685 326
Vat refundable		303 266	97 373
		16 001 604	16 366 776
EQUITY AND LIABILITIES			
Accumulated funds	2.1	14 784 400	14 975 386
Reserve		933 000	813 000
Restricted funds	6	-	243 565
Current liabilities		284 204	334 825
Trade and other payables		98 144	144 869
Rental deposits		6 300	10 196
Department of Social Development conduit contracts	5	179 760	179 760
		16 001 604	16 366 776

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Annual Financial Statement for the year ended 31 March 2015

Statement of comprehensive income and retained earnings

Figures in Rand	Note(s)	2015	2014
Revenue			
Unrestricted donations		2 176 298	1 792 157
Restricted donations		1 907 544	2 735 711
National Lottery Distribution Trust Fund		-	289 000
Government grant		1 421 394	1 145 044
Contributions for services		697 079	486 861
		6 202 315	6 448 773
Other income			
Profit on the sale of land and buildings		-	-
Interest received		68 099	79 449
		6 270 414	6 528 222
Operating expenses			
Child & Youth Care		2 375 481	2 701 883
Community Family Support		930 873	698 636
Community Medical Care		748 934	907 987
Sustainability Projects		225 478	92 761
Youth Development & After School		1 516 338	1 064 518
Resource Centre		652 296	548 955
Audit Fee		12 000	12 000
		6 461 400	6 026 740
		(190 986)	501 482
Profit / (Loss) for the year			
Less: Transfer profit on sale of land and buildings to accumulated funds		-	-
Profit / (Loss) for the year		(190 986)	501 482

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 years 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.

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

	2015	2014
	R	R
Balance at the beginning of the year	14 975 386	14 473 904
Surplus / (Deficit) for the year	(190 986)	501 482
Transfer from profit and loss on sale of fixed asset	-	-
Balance at the end of the year	14 784 400	14 975 386

3. Non-current assets

	2015			2014		
	Cost	Transfer to accumulated funds	Carrying value	Cost	Transfer to accumulated funds	Carrying value
Owned assets						
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 31/03/2014	Additions	Disposals	Transfer to accumulated funds	Carrying value 31/03/2015
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)	2015	2014
4. Cash and cash equivalents			
Money Market		1 008 767	1 400 668
Market link		1 260	1 260
Market link - Eskom		43 397	43 397
Deposit call account		56 458	56 458
Current account - Beautiful Gate South Africa		156 397	13 310
Cash on hand		4 875	268
		1 271 154	1 515 361
5. Department of Social Development Conduit Contract			
Beautiful Gate South Africa administers funds on behalf of the Department of Social Development for nutrition support and trauma room projects.			
Balance at the beginning of the year		179 760	107 882
Income		-	102 478
Expenditure		-	(30 600)
Balance at the end of the year		179 760	179 760
6. Restricted Funds			
Donations received in advance for specific projects			
ApexHi trust		-	60 000
De Schone Poort - Restaurant		-	64 815
DG Murray - M&E project		-	-
DG Murray - Resource centre and youth development		-	18 750
EO Metterdaad - Dignity campaign		-	-
Nussbaum Foundation		-	100 000
Nedbank foundation		-	-
		-	243 565
7. Investments			
Investec listed shares - Cost		1 600 000	1 600 000
Investec listed shares - Market Value		2 000 724	1 796 546

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Accounting policies and explanatory notes

Figures in Rand	Note(s)	2015	2014
8. Trade and other receivables			
Transnet National Port Authority		-	415 000
Liberty (balance due after final report)		-	150 000
EO Metterdaad (10% balance due after final report)		-	54 109
Sundry debtors		67 309	66 217
		<u>67 309</u>	<u>685 326</u>