



Uviwe Child & Youth Services

(Registration Number 003-620 NPO)

Financial Statements

for the year ended 31 March 2017

Audited

Prepared by
N Mvakade, Financial Manager of
Uviwe Child & Youth Services

Uviwe Child & Youth Services

(Reg. No. 003-620 NPO)

Financial statements

for the year ended 31 March 2017

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

Uviwe Child & Youth Services

Management board's responsibility statement

The management board is responsible for the preparation and presentation of the financial statements of Uviwe Child & Youth Services, which comprise the statement of financial position at 31 March 2017 and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, on the basis of accounting described in Note 1 to the financial statements. In addition the management board is responsible for providing financial information to the NPO Directorate, Department of Social Development & Special Programmes.

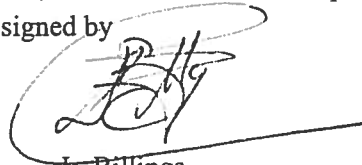
The management board is also responsible for such internal control as the management board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements. The management board has made an assessment of the entity's ability to continue as a going concern and has no reason to believe that the entity will not be a going concern in the year ahead. The auditor is responsible for reporting on whether the financial statements have been prepared in accordance with the basis of accounting described in Note 1 to the financial statements.

Approval of financial statements

The financial statements of Uviwe Child & Youth Services, as identified in the first paragraph, were approved by the management board on 11 July 2017 and signed by



V Lupuwana
Chairman



L. Billings
Treasurer

Uviwe Child & Youth Services

Management board's report

The board submit their report for the year ended 31 March 2017.

1. Review of activities

Main business and operations

Uviwe Child & Youth Services is a registered child protection organization with a child centered approach where the child's best interest and well-being remain at the core of all decisions, projects and services. Our services are legislated by the Children's Act 38/2005 and we deliver comprehensive services on prevention, early intervention, statutory & reunification levels.

Vision:

To be a community partner that helps build communities fit to raise every one of its children

Service pillars:

1. **champions of children's rights** (Every child is valued in its community and should be protected and nurtured for a better community in the future)
2. **empowering communities** (Starting at grassroots and co-creating communities that are well skilled and economically self-reliant)
3. **agents of hope** (Passionate about the potential and strengths in every child, family and community and acknowledging the positive effect it has on that child's community)
4. **accessing sustainable partnerships** (Collaborating with the community, other organisations, sponsors and those who share the same enthusiasm for the upliftment of the local community)

3 Core Service areas (Children's Act 38/2005):

Uviwe adheres to a generic social work service model with specific interest in dealing with child abuse, severe neglect and abandonment.

1. Child protection services, including: ongoing services such as child abuse crisis management, children's court inquiries, alternative care placements (foster care) and family reunification services.
2. Early Childhood Development (6 crèches)
3. Youth development programmes

Uviwe Child & Youth Services

Management board's report (continued)

2. Management Board members

The members of the entity during the year and to the date of this report are as follows:

Name & Surname	Race	Gender	Employer
Violet Lupuwana (Chairman)	Black	Female	Chumile Consulting (Entrepreneur)
Okkie Steyn (Vice-Chairperson)	White	Male	O. Steyn Construction
Lionel Billings (Treasurer)	Coloured	Male	Business Consultant
Denise Prince (Board Member)	Coloured	Female	NPA (Nerina Court) State Prosecutor
Lizette Ferns (Board Member)	White	Female	Kaplan Blumberg Attorney Family Law (Attorney)
Zukiswa Busakwe (Board Member)	Black	Female	ECD/Social Entrepreneur
Mary Phillips (Board Member)	Coloured	Female	Waste Takers/Social Entrepreneur
Angelique Jennings (Board Member)	White	Female	Education (VP school)

3. Secretary

The office of secretary of the non-profit entity has been delegated to Mrs Carol Erasmus (Manager: Support Services).

In her absence the Director, Ms Anna-Louise Olivier (director) normally carries out these duties.

Business Address	Postal Address
c/o Jan Hofmeyer & Nicholas Street	P O Box 34760
Schauderville	Newton park
Port Elizabeth	Port Elizabeth
6045	6055

4. Going concern and subsequent events

The entity incurred a net loss for the year ended 31 March 2017 of R149 079 (2016: net surplus of R101 899) and as of that date its current liabilities exceeded its current assets by R265 582 (2016: R251 943). However, as of that date its total assets exceeded its total liabilities by R4 831 226 (2016: R4 980 305). The entity obtains funding from the Department of Social Development (DSD) to operate.

Subsequent to year end, the DSD communicated to the management board of Uviwe Child & Youth Services that the Department would no longer be providing funding to the entity, effective 1 April 2017, with respect to the statutory services department. This will result in the entity's child protection division having to close down.

Due to the unexpected loss of the budgeted funding from the DSD of R4.6 million, the management board of the entity made a decision on 2 June 2017 to commence with the legal process of offering voluntary retrenchments to staff. Formal notice of the closing down of the department has been given to DSD. The entity will continue to run the prevention programs, ECD centres and other ad-hoc specific project funded services in the community.

The DSD confirmed in writing to the entity during the latter part of June 2017 that they would provide funding of R527 966 for the 2017/18 financial year for prevention programmes. The DSD then subsequently increased this funding by an additional R1.3 million, but this additional funding has not been confirmed in writing by the DSD to date.

The ability of the entity to continue as a going concern is dependent on the additional R1.3 million funding from the DSD. The management board have taken the following steps at 31 March 2017 to ensure that the entity is able to meet its financial obligations in the normal course of business:

- The entity is currently using the available resources to proceed with the closing of the statutory services department, which includes the voluntary retrenchments of the social workers providing these statutory services. The entity has reserves in place, which it can draw on to assist with the retrenchment process and cash flows to settle any liabilities from the retrenchment process.

- The available cash of R1 million will be used to settle the current liabilities related to third parties.

- In addition, the investments can be sold and drawn down to assist with the settling of the liabilities and any future liabilities.

As the entity is dependent on the DSD to provide funding to continue its operations and as at date of approval of these financial statements, no written confirmation has been received from the DSD, there exists a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

These financial statements are 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 will occur in the ordinary course of business.



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Independent Auditor's Report

To the management board of Uviwe Child & Youth Services

Opinion

We have audited the financial statements of Uviwe Child & Youth Services ("the entity") set out on pages 7 to 18, which comprise the statement of financial position at 31 March 2017 and the statement of comprehensive income, the statement of changes in reserves and the 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 of Uviwe Child & Youth Services for the year ended 31 March 2017 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

Basis for opinion

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 financial statements* section of our report. We are independent of the entity 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.

Material uncertainty related to going concern

We draw attention to Note 9 to the financial statements, which indicates that the entity incurred a net loss for the year ended 31 March 2017 of R149 079 and as of that date its current liabilities exceeded its current assets by R265 582. However, as of that date its total assets exceeded its total liabilities by R4 831 226. The note 9 states that these conditions, along with the other matters, indicates that the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – basis of accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the entity's own accounting policies to satisfy the financial information needs of the management board and NPO Directorate. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba,
M Oddy, CAT Smit

Other Directors: ZA Betsi, LP Fourie, N Fubu,
AH Jaffer (Chairman of the Board), FA Karreem,
ME Magondo, F Mall, GM Pickering,
JN Pierce

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.





Other information

The management board are responsible for the other information. The other information comprises the Management board's responsibility statement, the Management board's report, the Detailed statement of comprehensive income, the Other operating expenses, the Global Fund detailed statement of comprehensive income and the ECD detailed statements of comprehensive income. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management board for the financial statements

The management board are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1, for determining the acceptability of the basis of accounting and for such internal control as the management board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management board either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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 ISAs, 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 entity's internal control.
- Conclude on the appropriateness of the management boards' 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 entity'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 entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.

We communicate with the management board 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.

KPMG Inc.

A handwritten signature in black ink, appearing to read 'C. Batchelor', written over a horizontal line.

Per C. Batchelor
Chartered Accountant (SA)
Registered Auditor
Director
11 July 2017

Uviwe Child & Youth Services

Statement of comprehensive income

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income	8 619 545	8 285 558
Operating expenditure	-9 619 067	-9 373 990
Operating deficit for the year	-999 522	-1 088 432
Other annual income	793 593	1 138 042
Bequests	56 850	52 289
(Deficit) / surplus for the year	-149 079	101 899



Uviwe Child & Youth Services

Statement of financial position

at 31 March 2017

	<i>Note</i>	2017	2016
		R	R
Non-current assets		5 096 808	5 232 248
Property, plant and equipment	2	2 591 355	2 642 744
Investments	3	2 505 453	2 589 504
Current assets		1 257 775	1 498 216
Trade and other receivables		75 228	49 094
Cash and cash equivalents	4	1 182 547	1 449 122
Total assets		6 354 583	6 730 464
Funds and liabilities			
Accumulated funds		4 831 226	4 980 305
Total funds		4 831 226	4 980 305
Current liabilities			
Trade and other payables	6	1 523 357	1 750 159
Total funds and liabilities		6 354 583	6 730 464



Uviwe Child & Youth Services

Statement of changes in reserves

for the year ended 31 March 2017

Accumulated Funds R

Balance at 31 March 2015	4 878 406
Surplus for the year	101 899
Balance at 31 March 2016	<u>4 980 305</u>
Deficit for the year	-149 079
Balance at 31 March 2017	<u><u>4 831 226</u></u>



Uviwe Child & Youth Services

Statement of cash flows

for the year ended 31 March 2017

	Note	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from donors and government		9 469 988	8 599 990
Cash paid to suppliers and employees		<u>-9 845 072</u>	<u>-9 132 175</u>
Cash utilised from operations	8	<u>-375 084</u>	<u>-532 185</u>
Investment income		<u>173 114</u>	<u>175 806</u>
Net cash flow from operations		<u>-201 970</u>	<u>-356 379</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		-198 819	-302 896
Proceeds on sale of shares		769 406	745 837
Purchase of shares		<u>-635 192</u>	<u>-751 652</u>
Net cash flow from investing activities		<u>-64 605</u>	<u>-308 711</u>
Total cash movement for the year		-266 575	-665 090
Cash at the beginning of the year		<u>1 449 122</u>	<u>2 114 212</u>
Total cash at end of the year	4	<u>1 182 547</u>	<u>1 449 122</u>



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

1 Summary of significant accounting policies

1.1 Purpose of financial statements and basis of accounting

Purpose of financial statements

The purpose of these financial statements is to provide financial information to the management board, NPO Directorate, Department of Social Development & Special Programmes.

Basis of accounting

The financial statements are prepared on the historical cost basis, except where indicated otherwise, and incorporate the following principal accounting policies, which are consistent in all material respects with those of the previous year. The management board believes that the basis of accounting is acceptable in view of the nature of the entity's activities, the nature and objective of the historical information, and the information needs of the intended users.

1.2 Property, plant and equipment

Property, plant and equipment is stated at cost and is depreciated on the straight line basis at the following rates:

Toynbee land and buildings	2.5% per annum
Other land and buildings	10% per annum
Furniture and equipment	25% per annum
Motor vehicles	20% per annum

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Surpluses/(deficits) on the disposal of property, plant and equipment are credited/(charged) to operating income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

1.3 Impairment

The carrying amounts of the entity's assets are reviewed at each period end date to determine whether there is an indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

All impairment losses are recognised in profit or loss.



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

1 Summary of significant accounting policies (continued)

1.4 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Investments

Investments, other than annuities and endowment policies, are stated at cost, except where there has been a permanent diminution in value. Annuities and endowment policies are stated at surrender value.

Investments that meet the criteria for classification as held to maturity financial assets are carried at amortised cost.

Trade and other receivables

Trade and other receivables are stated at cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise of a current account, fixed maturity account and cash on hand. Cash and cash equivalents are measured at fair value.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

1.5 Investment income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the entity.

Dividends are recognised when the right to receive payment is established.

1.6 Operating income

Operating income, with the exception of Government subsidies are accounted for on the receipts basis.

Fees received include adoption fee and training income, as well as income from the Early Childhood Development (ECD) Centre's. Fundraising income and donation income are also accounted for on the receipts basis.



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

1 Summary of significant accounting policies (continued)

1.7 Donations

Capital donations

Donations of capital items are brought to account at a value which, in the opinion of the management committee represents a reasonable value of these items to Uviwe Child & Youth Services. This value normally approximates the open market value of the assets, except where the asset will revert to the donor if it is no longer used for the purpose specified by the donor. The assets are classified and accounted for in accordance with the Uviwe Child & Youth Service's accounting policies relating to the relevant categories of assets.

Donation income

Income from donations is recognised when received.

1.8 Grant funding

Grants that compensate the entity for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

1.9 Employee benefits

Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the entity has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

1.10 Leases

Operating leases are accounted for on an accrual basis.



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

	LAND AND BUILDINGS	FURNITURE AND EQUIPMENT	MOTOR VEHICLES	TOTAL
	R	R	R	R
2 Property, plant and equipment				
Year ended 31 March 2017				
Opening net book value	2 281 091	361 653	-	2 642 744
Additions	32 805	166 014	-	198 819
Depreciation	-111 536	-138 672	-	-250 208
Closing net book value	<u>2 202 360</u>	<u>388 995</u>	-	<u>2 591 355</u>
Cost	5 121 897	1 488 359	538 760	7 149 016
Accumulated depreciation	-2 919 537	-1 099 364	-538 760	-4 557 661
Closing net book value at 31 March 2017	<u>2 202 360</u>	<u>388 995</u>	-	<u>2 591 355</u>
Year ended 31 March 2016				
Opening net book value	2 392 627	190 785	-	2 583 412
Additions	-	302 896	-	302 896
Depreciation	-111 536	-132 028	-	-243 564
Closing net book value	<u>2 281 091</u>	<u>361 653</u>	-	<u>2 642 744</u>
Year ended 31 March 2016 Cost				
Cost	5 089 092	1 328 493	538 760	6 956 345
Accumulated depreciation	-2 808 001	-966 840	-538 760	-4 313 601
Closing net book value	<u>2 281 091</u>	<u>361 653</u>	-	<u>2 642 744</u>

From the fixed Assets disclosed: R35 943 was for Furniture and Equipment purchased through Global Fund funding.



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

2 Property, plant and equipment (continued)

Land and buildings comprise the following:

	Note	Depreciation	Cost	Additions	Accumulated depreciation	Net book value	Market value
		%	R	R	R	R	R
Owned property							
Toynbee Schauderville (office), ERF 6867 Corner of Jan Hofmeyr and Nicholas Street,	2.2	2.5	3 331 525	16 645	-1 586 671	1 761 499	5 350 000
Other property utilized by the Entity							
New Gelvandale ECD, Toynbee Gelvandale, ERF 2739, Kobus Road	2.2	2.5	954 641	-	-544 483	410 158	1 650 000
Carol Mangold ECD ERF 276, Gelvandale	2.1	2.5	-	-	-	-	740 000
Gelvandale ECD, St Adams Drive, ERF 492, Gelvandale	2.1	2.5	-	-	-	-	450 000
Ford Kobus ECD, Delpport Street, Schauderville ERF 3777	2.1	10	36 925	16 160	-26 462	26 623	240 000
Freda Jobkowitz ECD, Thionton Rd, Schauderville ERF 17	2.1	10	6 897	-	-2 817	4 080	370 000
Lakeside ECD, ERF 663, Bethelsdorp	2.1		-	-	-	-	550 000
Properties not utilized by the Entity							
Siswe Setu Educare 150 Ndlovu Street, Motherwell	2.3	10	313 290	-	-313 290	-	980 000
Govan Mbeki Educare ERF 17536, Missionvale on Sea	2.3	10	445 814	-	-445 814	-	1 100 000
Yokhuselo Haven Duncan Ave South End	2.3		-	-	-	-	460 000
Total			5 089 092	32 805	-2 919 537	2 202 360	

Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

2 Property, plant and equipment (continued)

2.1 Should these properties cease to be used by the Entity for educational purposes, then the land shall, at the option of the Municipality, revert to the Municipality.

2.2 The following conditions for the continued use of the properties exist:

- The property cannot be sold without prior consent of the Department of Social Development Eastern Cape.
- The property will be used to further the aims of the Finance Policy for Development Services (March 1999) of the Department of Social Development Eastern Cape.
- Uviwe Child & Youth Services will be responsible for the maintenance of the property and ensure that it is adequately insured.

2.3 The properties are used by independent Early Childhood Development (ECD) Centre's that are not part of Uviwe Child & Youth Services.

- The centres bear their own expenses including water and electricity.
- Uviwe Child & Youth Services is still the rightful owner of the properties.

3 Investments

	2017	2016
	R	R
At cost: Investment portfolio		
Listed shares and other securities managed by: Rand Merchant Bank	1 781 423	1 667 231
Unlisted funds managed by: FNB Money Market	520 000	520 000
	<u>2 301 423</u>	<u>2 187 231</u>
At surrender/discounted value:		
Endowment policies	204 030	402 273
	<u>2 505 453</u>	<u>2 589 504</u>
Investment portfolio at fair value:		
Rand Merchant Bank at 31 March 2017	<u>2 152 340</u>	<u>2 224 327</u>



Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

4 Cash and cash equivalents

	2017	2016
	R	R
First National Bank current account	195 718	-49 333
First National Bank money market investment	696 501	50 167
Global fund	-	1 779
Cash on hand	20 000	15 000
First National Bank – 32 days notice account	191 655	1 358 896
First National Bank-DSD Call Account	13 120	-
First National Bank-ECD Business Cheque Account	65 553	72 613
	<u>1 182 547</u>	<u>1 449 122</u>

The overdraft facility with the bank is secured by pledges held of R500 000 (review date 01/08/2017).

5 Taxation

No provision has been made for taxation, as the receipts and accruals of the entity are exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act, as the entity is a public benefit organisation registered in terms of Section 30 of the Income Tax Act.

6 Trade and other payables

	2017	2016
	R	R
Creditors	50 950	155 758
Accruals	384 849	380 986
DSD Overpayments	1 022 199	1 022 199
Committed project funds provisions	65 359	43 322
Unspent Funding	-	147 894
	<u>1 523 357</u>	<u>1 750 159</u>

7 Operating lease

At the end of the reporting period, the future minimum lease payments under the operating leases payable were as follows :

	2017	2016
	R	R
Less than one year	94 639	100 315
Between one and five years	105 162	173 884
	<u>199 801</u>	<u>274 199</u>

Printer leases were entered into and are considered operating leases.

All the risks and rewards of the equipment reside with the lessors.

Uviwe Child & Youth Services

Notes to the financial statements

for the year ended 31 March 2017

	2017	2016
	R	R
8 Cash (utilised)/generated by operations		
(Deficit) / surplus for the year	-149 079	101 899
Adjustments for:		
Depreciation	250 208	243 564
Loss/(gain) on book value of shares	78 657	-328 278
Gain on disposal of shares	-144 087	-219 171
Change in surrender value of endowments	-27 260	-129 527
Other net investment movement	42 527	11 591
Investment income	-173 114	-175 806
Changes in working capital:		
Trade and other receivables	-26 134	-23 117
Trade and other payables	-226 802	-13 340
	<u>-375 084</u>	<u>-532 185</u>

9 Going concern and subsequent events

The entity incurred a net loss for the year ended 31 March 2017 of R149 079 (2016: net surplus of R101 899) and as of that date its current liabilities exceeded its current assets by R265 582 (2016: R251 943). However, as of that date its total assets exceeded its total liabilities by R4 831 226 (2016: R4 980 305). The entity obtains funding from the Department of Social Development (DSD) to operate.

Subsequent to year end, the DSD communicated to the management board of Uviwe Child & Youth Services that the Department would no longer be providing funding to the entity, effective 1 April 2017, with respect to the statutory services department. This will result in the entity's child protection division having to close down.

Due to the unexpected loss of the budgeted funding from the DSD of R4.6 million, the management board of the entity made a decision on 2 June 2017 to commence with the legal process of offering voluntary retrenchments to staff. Formal notice of the closing down of the department has been given to DSD. The entity will continue to run the prevention programs, ECD centres and other ad-hoc specific project funded services in the community.

The DSD confirmed in writing to the entity during the latter part of June 2017 that they would provide funding of R527 966 for the 2017/18 financial year for prevention programmes. The DSD then subsequently increased this funding by an additional R1.3 million, but this additional funding has not been confirmed in writing by the DSD to date.

The ability of the entity to continue as a going concern is dependent on the additional R1.3 million funding from the DSD. The management board have taken the following steps at 31 March 2017 to ensure that the entity is able to meet its financial obligations in the normal course of business:

- The entity is currently using the available resources to proceed with the closing of the statutory services department, which includes the voluntary retrenchments of the social workers providing these statutory services. The entity has reserves in place, which it can draw on to assist with the retrenchment process and cash flows to settle any liabilities from the retrenchment process.
- The available cash of R1 million will be used to settle the current liabilities related to third parties.
- In addition, the investments can be sold and drawn down to assist with the settling of the liabilities and any future liabilities.

As the entity is dependent on the DSD to provide funding to continue its operations and as at date of approval of these financial statements, no written confirmation has been received from the DSD, there exists a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

These financial statements are 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 will occur in the ordinary course of business.

Uviwe Child & Youth Services

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

Detailed statement of comprehensive income

for the year ended 31 March 2017

	2017 R	2016 R
Operating income		
Fees received	1 667 059	1 012 947
Fundraising – local	250 714	387 161
Government ECD subsidies	708 538	733 014
Government salary subsidies	4 496 339	4 235 926
Donations – Section 18(A)	40 000	5 000
Donations – Non Section 18(A)	13 900	15 302
Community Chest	-	10 000
The Herald Christmas Cheer	500	5 000
Training	4 523	-
Profit on sale of property, plant and equipment	200	-
Algoa Bay Charitable Trust	-	25 000
ABSA Trust	-	14 000
Grant-in-Aid	95 812	75 318
Nelson Mandela Bay Municipality	3 244	-
Infant Trust UK	161 976	298 620
National Development Agency	-	68 070
Global Fund	-	666 300
FEMA	450 000	421 400
NMG	416 740	300 000
Vital Foundation	200 000	-
Steinmuller Africa	50 000	-
Bilfinger Intervale	50 000	-
Helenvale conduit	10 000	12 500
	<u>8 619 545</u>	<u>8 285 558</u>
Operating expenditure		
Auditors remuneration	-22 960	-18 587
Depreciation	-250 208	-243 564
Electricity and water	-279 474	-348 775
Fundraising expense	-85 803	-99 318
Nutrition	-115 799	-91 216
Insurance	-127 706	-92 571
Other operating expenses	-1 401 870	-898 028
Printing and stationery	-72 574	-92 067
Professional services	-22 850	-22 304
Repairs, maintenance and rates	-162 667	-121 423
Salaries and other staff costs	-6 642 444	-7 068 844
Telephone and postage	-86 478	-107 108
Transport	-171 272	-147 651
Workman's compensation	-98 305	-22 534
Loss on book value of shares	-78 657	-
	<u>-9 619 067</u>	<u>-9 373 990</u>
Operating deficit carried forward	<u>-999 522</u>	<u>-1 088 432</u>

Uviwe Child & Youth Services

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

Detailed statement of comprehensive income (continued)

for the year ended 31 March 2017

	2017	2016
	R	R
Operating deficit brought forward	-999 522	-1 088 432
Other annual income		
Gain on book value of shares	-	328 278
Profit on disposal of shares	144 087	219 171
Change in surrender value endowments	27 260	129 527
Dividends	36 545	57 281
Interest received	136 569	118 525
Rental Income	89 500	79 723
Charity Shop	34 757	60 057
Other	<u>324 875</u>	<u>145 480</u>
	793 593	1 138 042
(Deficit) / surplus of annual income over expenditure for the year	-205 929	49 610
Bequests	<u>56 850</u>	<u>52 289</u>
(Deficit) / surplus for the year	<u>-149 079</u>	<u>101 899</u>

Internal administration fees of R401 311 (2016: R523 389) charged to the ECD Centers were separately reflected in the current year detailed statement of comprehensive income. There is no exchange of cash with respect to these administration fees

Uviwe Child & Youth Services

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

Other operating expenses

for the year ended 31 March 2017

	2017	2016
	R	R
Administration fees –other funders	-80 256	-54 655
Administration fees – ECD	-401 311	-
Bank charges	-50 286	-35 248
Security	-48 073	-35 557
Casual wages	-33 310	-33 955
Cleaning	-48 599	-37 242
Clothing	-2 437	-4 098
IT services	-94 602	-69 289
IT Infrastructure	-	-74 371
Equipment hire	-89 257	-98 763
Garden	-22 863	-19 120
Gifts	-24 173	-6 647
Governance Expenses	-9 374	-
Indemnity Insurance	-3 750	-20 837
Legal	-	-20 082
Licenses	-8 012	-3 456
Education equipment	-43 777	-36 349
Educational Activities	-104 453	-34 133
Educational Outing	-12 965	-
Refreshments/catering (programs)	-11 357	-65 283
Registration fees	-9 214	-250
Rental	-16 174	-16 380
Staff development	-63 798	-114 938
Stipends	-900	-1 150
Office Furniture	-200	-
Travel, accommodation and subsistence allowance	-15 093	-12 781
Marketing and publications	-102 573	-54 593
Health & Safety	-8 285	-5 763
Program Costs	-86 285	-
Food parcels	-4 242	-25 296
Office equipment	-6 251	-17 792
	<u>-1 401 870</u>	<u>-898 028</u>

Uviwe Child & Youth Services

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

Global Fund detailed statement of comprehensive income:

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Funding received	<u>-</u>	<u>666 300</u>
Operating expenditure		
Bank charges	-	-1 093
Brochure/marketing	-	-11 487
Comfort packs	-	-9 305
Equipment Hire	-	-5 625
IT Infrastructure	-	-6 274
Office Equipment	-	-123
Refreshments /Catering	-	-1 239
Printing and stationery	-	-23 116
Salaries and other staff cost	-	-505 643
Staff Development and Training	-	-13 042
Staff Welfare	-	-3 270
Telephone and postage	-	-7 681
Transport	-	-6 200
Travel and Accommodation	<u>-</u>	<u>-12 213</u>
	-	-606 311
Operating surplus	-	59 989
Other annual income		
Interest received	<u>-</u>	<u>-</u>
Surplus for the year	<u><u>-</u></u>	<u><u>59 989</u></u>

This programme ended at 31 March 2016.

Uviwe Child & Youth Services

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

Early Childhood Development Centre's detailed statement of comprehensive income:

Carol Mangold ECD Centre	2017	2016
<i>for the year ended 31 March 2017</i>	R	R
Operating income		
Fees received	165 651	164 944
Fundraising – local	21 932	27 340
Rental	1 050	-
Government fee subsidies	109 620	82 425
NMG	19 989	20 000
Infant Trust UK	-	10 944
FEMA	5 000	1 900
	<u>323 242</u>	<u>307 553</u>
Operating expenditure		
Auditors remuneration	-	-1 327
Depreciation	-11 493	-13 942
Electricity and water	-4 000	-12 388
Fundraising expense	-13 430	-4 328
Nutrition	-1 382	-13 127
Insurance	-	-1 836
Interest paid	-94 603	-
Other expenses	-2 745	-51 693
Printing and stationery	-	-550
Professional services	-2 500	-
Repairs, maintenance and rates	-191 780	-1 629
Salaries and other staff costs	-5 034	-207 059
Telephone and postage	-4 095	-5 026
Transport	-596	-2 081
Workman's compensation	-	-473
	<u>-331 658</u>	<u>-315 459</u>
Operating deficit	-8 416	-7 906
Interest received	-	3 044
Deficit for the year	<u>-8 416</u>	<u>-4 862</u>

Uviwe Child & Youth Services

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

Early Childhood Development Centre's detailed statement of comprehensive income:

Ford Kobus ECD Centre

for the year ended 31 March 2017

	2017 R	2016 R
Operating income		
Fees received	154 400	137 785
Fundraising – local	35 113	55 040
Rental Income	400	2 500
Government fee subsidies	127 015	118 388
NMG	22 323	20 000
Infant Trust UK	-	10 944
FEMA	5 000	1 900
	<u>344 251</u>	<u>346 557</u>
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-13 942	-13 942
Electricity and water	-11 713	-10 172
Fundraising expense	-7 012	-14 060
Nutrition	-15 165	-13 236
Insurance	-1 338	-820
Other expenses	-97 733	-52 907
Printing and stationery Professional services	-3 656	-2 065
Repairs, maintenance and rates	-5 027	-9 311
Salaries and other staff costs	-192 838	-209 651
Telephone and postage	-6 499	-6 402
Transport	-4 624	-1 307
Workman's compensation	-552	-414
	<u>-360 099</u>	<u>-335 614</u>
Operating (deficit)/surplus	-15 848	10 943
Other annual income		
Interest received	-	3 044
(Deficit)/surplus for the year	<u>-15 848</u>	<u>13 987</u>

Uviwe Child & Youth Services

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

Early Childhood Development Centre's detailed statement of comprehensive income:

Gelvandale ECD Centre

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Fees received	188 940	133 811
Fundraising – local	14 420	29 715
Government fee subsidies	116 340	99 683
NMG	18 581	20 000
Infant Trust UK	-	21 888
FEMA	5 000	1 900
	<u>343 281</u>	<u>306 997</u>
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-13 942	-13 942
Electricity and water	-10 410	-11 227
Fundraising expense	-5 300	-3 813
Nutrition	-17 752	-12 784
Insurance	-1 205	-464
Other expenses	-98 886	-65 839
Printing and stationery	-4 575	-1 344
Repairs, maintenance and rates	-3 706	-4 420
Salaries and other staff costs	-175 854	-153 983
Telephone and postage	-4 847	-4 269
Transport	-5 062	-2 391
Workman's compensation	-496	-415
	<u>-342 035</u>	<u>-276 218</u>
Operating surplus	1 246	30 779
Other annual income		
Interest received	-	3 044
Surplus for the year	<u>1 246</u>	<u>33 823</u>

Uviwe Child & Youth Services

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Early Childhood Development Centre's detailed statement of comprehensive income:

Freda Jabkowitz ECD Centre

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Fees received	176 500	142 095
Fundraising – local	29 038	58 435
Government fee subsidies	109 185	87 624
NMG	19 674	20 000
Infant Trust UK	-	10 944
FEMA	5 000	2 900
Karate fees	-	8 050
	<u>339 397</u>	<u>330 048</u>
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-13 942	-13 942
Electricity and water	-16 614	-17 394
Fundraising expense	-4 450	-3 724
Nutrition	-19 115	-13 673
Insurance	-1 405	-873
Other expenses	-94 707	-63 158
Printing and stationery Professional services	-2 406	-890
Repairs, maintenance and rates	-5 437	-4 775
Salaries and other staff costs	-192 928	-268 061
Telephone and postage	-6 477	-9 314
Transport	-1 941	-1 383
Workman's compensation	-514	-671
	<u>-359 936</u>	<u>-399 185</u>
Operating deficit	-20 539	-69 137
Other annual income		
Interest received	-	3 044
Deficit for the year	<u>-20 539</u>	<u>-66 093</u>

Uviwe Child & Youth Services

The supplementary information presented does not form part of the financial statements and is unaudited.
Early Childhood Development Centre's detailed statement of comprehensive income:

Ruth McCullum ECD Centre

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Fees received	215 000	169 075
Fundraising – local	62 400	64 568
Government fee subsidies	141 506	125 625
NMG	20 377	20 000
FEMA	5 000	1 900
	<u>444 283</u>	<u>381 168</u>
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-13 942	-13 942
Electricity and water	-18 596	-14 913
Fundraising expense	-4 650	-12 085
Nutrition	-18 537	-14 508
Insurance	-1 742	-1 394
Other expenses	-100 305	-52 209
Printing and stationery	-3 669	-1 661
Repairs, maintenance and rates	-23 683	-16 915
Salaries and other staff costs	-184 829	-205 381
Telephone and postage	-1 239	-5 410
Transport	-2 620	-1 058
Workman's compensation	-447	-524
	<u>-374 259</u>	<u>-341 327</u>
Operating surplus	70 024	39 841
Other annual income		
Interest received	-	3 044
Surplus for the year	<u>70 024</u>	<u>42 885</u>

Uviwe Child & Youth Services

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

Early Childhood Development Centre's detailed statement of comprehensive income:

New Gelvandale ECD Centre

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Fees received	201 040	200 730
Fundraising – local	27 630	56 390
Government fee subsidies	121 605	125 625
Rental Income	17 100	9 620
Karate Fees	-	6 760
Nelson Mandela Bay Metro	3 244	-
NMG	21 750	20 000
FEMA	5 000	1 900
	<u>397 369</u>	<u>421 025</u>
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-13 942	-13 942
Electricity and water	-50 205	-23 605
Fundraising expense	-7 300	-7 683
Nutrition	-14 146	-14 362
Insurance	-4 552	-3 962
Other expenses	-103 808	-52 860
Printing and stationery	-2 100	-2 110
Professional services		
Repairs, maintenance and rates	-5 534	-6 336
Salaries and other staff costs	-208 840	-254 159
Telephone and postage	-6 682	-7 747
Transport	-5 087	-2 486
Workman's compensation	-698	-768
	<u>-422 894</u>	<u>-391 347</u>
Operating (deficit)/surplus	-25 525	29 678
Other annual income		
Interest received	-	3 044
(Deficit)/surplus for the year	<u>-25 525</u>	<u>32 722</u>

Uviwe Child & Youth Services

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

Early Childhood Development Centre's detailed statement of comprehensive income:

Lakeside ECD Centre

for the year ended 31 March 2017

	2017	2016
	R	R
Operating income		
Fees received	-	56 942
Fundraising – local	-	16 315
Government fee subsidies	-	93 645
Rental Income	-	10 363
	<hr/>	<hr/>
	-	177 265
Operating expenditure		
Auditor's remuneration	-	-1 327
Depreciation	-	-13 942
Electricity and water	-	-8 979
Fundraising expense	-	-3 844
Nutrition	-	-6 991
Insurance	-	-725
Other expenses	-	-30 895
Printing and stationery	-	-241
Repairs, maintenance and rates	-	-70
Salaries and other staff costs	-	-101 914
Telephone and postage	-	-4 780
Transport	-	-1 070
Workman's compensation	-	-164
	<hr/>	<hr/>
	-	-174 942
Operating surplus	-	2 323
Other annual income		
Interest received	-	3 044
	<hr/>	<hr/>
Surplus for the year	-	5 367
	<hr/> <hr/>	<hr/> <hr/>

Notes – closure of the centre December 2015. Rental income – income generating activity to sustain the building as a community based ECD centre