



# **Uviwe Child & Youth Services**

(Registration Number 003-620 NPO)

Financial Statements

for the year ended 31 March 2018

Audited

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

# Uviwe Child & Youth Services

## Financial statements

for the year ended 31 March 2018

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## 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 2018 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 27 July 2018 and signed by



V Lupuwana  
Chairman

  
L. Tykani  
Treasurer 27-07-2018

# Uviwe Child & Youth Services

## Management Board's Report

The board submit their report for the year ended 31 March 2018

### 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. During the year ended 31 March 2018 all statutory social work services were terminated, due to the unilateral decision by DSD to terminate funding by Department of Social Development as from April 2017. Late notice of such termination of subsidy by DSD was received in May/June 2017 and the organisation had to take emergency measures to ensure compliance with the Labour Relations Act (Retrenchment schedule), as well as attending to the longterm sustainability of the organisation. The statutory social work department was one of the service pillars of the organisation for more than 80 years, however this department was closed effectively August 2017. The organisation held a strategic workshop on 23 February 2018 when the turn-around strategy and new service model was endorsed by the Management board.

#### *Vision:*

To be a community partner that helps build communities fit to raise every one of its children. The vision is currently under review, as the strategic vision needs to be aligned with operational programmes that are geared to education support, early childhood development and prevention programmes.

#### *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, and those who share the same enthusiasm for the upliftment of the local community)

#### *Three 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. Prevention and Early Intervention programmes aimed at strengthening community based child protection systems, strengthening family structures and providing education support to youth.
2. Early Childhood Development (5 crèches). Freda Jabkowitz ECD centre closed in September 2017.
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
Lunga Tukani (Treasurer)	Black	Male	Chartered Accountant
Denise Prince (Board Member) - resigned 14 June 2017	Coloured	Female	NPA (Nerina Court) State Prosecutor
Lizette Ferns (Board Member)	White	Female	Kaplan Blumberg Attorney Family Law (Attorney)
Mary Phillips (Board Member) - resigned 21 February 2018	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 was delegated to Mrs Carol Erasmus (Manager: Support Services). However, Carol was retrenched in July 2017. In her absence the Director, Ms Anna-Louise Olivier (director) carried out the 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

The entity incurred a net loss for the year ended 31 March 2018 of R105 223 (2017: R149 079), and as of that date the current assets exceeded its current liabilities by R2 073 325 (2017: current liabilities exceeded current assets by R265 582). The improvement in the liquidity of the entity is due to the disposal of investments for R3 021 378 in the current year to fund retrenchment packages, as disclosed in note 3.

Effective 1 April 2017 the Department of Social Development (DSD) no longer provided funding to Uviwe Child & Youth Services for child protection services. This resulted in the organisation's child protection division having to close down during the financial year and affected staff were retrenched.

The management board of Uviwe have made an assessment of the entity's ability to continue as a concern and believe that the entity will continue as a going concern for the foreseeable future. The assessment is based on confirmed funding to the amount of R 4.4 million from the government and other corporate funders for the year ending 31 March 2019, of which R 2.9 million has been received subsequent to year end. In addition, the entity has applied for additional funding from other corporate funders but is still at the negotiation phase.

# **Uviwe Child & Youth Services**

## **Management Board's Report (continued)**

### **4. Going concern (continued)**

Management have assessed their cash flow forecast and although they have forecasted a loss for the 2019 financial year, the entity has adequate cash resources and reserves in place to settle its liabilities in the ordinary course of business for the foreseeable future.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

### **5. Subsequent events**

No material subsequent events occurred that would have an impact on the financial statements.



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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 8 to 19, which comprise the Statement of Financial Position as at 31 March 2018 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 2018 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.

### *Emphasis of Matter – Basis of Accounting and Restriction on Use*

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to provide financial information to the management board, NPO Directorate and Department of Social Development & Special Programmes. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### *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 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.



Per C. Batchelor  
Chartered Accountant (SA)  
Registered Auditor  
Director  
27 July 2018

# Uviwe Child & Youth Services

## Statement of Comprehensive Income

*for the year ended 31 March 2018*

	2018 R	2017 R
<b>Operating income</b>	5 753 195	8 539 289
Operating expenditure	<u>-6 663 206</u>	<u>-9 538 811</u>
<b>Operating deficit for the year</b>	-910 011	-999 522
Other annual income	768 604	793 593
Bequests	<u>36 184</u>	<u>56 850</u>
<b>Deficit for the year</b>	<u><u>-105 223</u></u>	<u><u>-149 079</u></u>

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**Uviwe Child & Youth Services**  
**Statement of Financial Position**

as at 31 March 2018

	<i>Note</i>	<b>2018</b>	<b>2017</b>
		<b>R</b>	<b>R</b>
<b>Non-current assets</b>		<b>2 652 678</b>	5 096 808
Property, plant and equipment	2	2 652 678	2 591 355
Investments	3	-	2 505 453
<b>Current assets</b>		<b>3 440 996</b>	1 257 775
Trade and other receivables		3 000	75 228
Cash and cash equivalents	4	3 437 996	1 182 547
<b>Total assets</b>		<b>6 093 674</b>	6 354 583
<b>Funds and liabilities</b>			
Accumulated funds		4 726 003	4 831 226
<b>Total funds</b>		<b>4 726 003</b>	4 831 226
<b>Current liabilities</b>			
Trade and other payables	6	1 367 671	1 523 357
<b>Total funds and liabilities</b>		<b>6 093 674</b>	6 354 583



**Uviwe Child & Youth Services**  
**Statement of Changes in Reserves**  
*for the year ended 31 March 2018*

	<b>Accumulated Funds</b>
	<b>R</b>
Balance at 31 March 2016	4 980 305
Deficit for the year	-149 079
<b>Balance at 31 March 2017</b>	<b>4 831 226</b>
Deficit for the year	-105 223
<b>Balance at 31 March 2018</b>	<b>4 726 003</b>



# Uviwe Child & Youth Services

## Statement of Cash Flows

for the year ended 31 March 2018

	Note	2018 R	2017 R
<b>Cash flows from operating activities</b>			
Cash receipts from donors and government		5 420 332	8 988 421
Cash paid to suppliers and employees		-6 039 658	-9 363 505
Cash utilised by operations	8	<u>-619 326</u>	<u>-375 084</u>
Investment income		<u>113 373</u>	<u>173 114</u>
<b>Net cash flow from operations</b>		<u><b>-505 953</b></u>	<u><b>-201 970</b></u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		-350 976	-198 819
Proceeds on sale of vehicles		91 000	-
Proceeds on sale of investments		3 021 378	769 406
Purchase of shares		-	-635 192
<b>Net cash flow from investing activities</b>		<u><b>2 761 402</b></u>	<u><b>-64 605</b></u>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		<u>1 182 547</u>	<u>1 449 122</u>
<b>Total cash at end of the year</b>	4	<u><u><b>3 437 996</b></u></u>	<u><u><b>1 182 547</b></u></u>



# Uviwe Child & Youth Services

## Notes to the Financial Statements

for the year ended 31 March 2018

### 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 the Statement of Comprehensive Income.

# Uviwe Child & Youth Services

## Notes to the Financial Statements

for the year ended 31 March 2018

### 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 2018

### 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 2018

	LAND AND BUILDINGS	FURNITURE AND EQUIPEMNT	MOTOR VEHICLES	TOTAL
	R	R	R	R
<b>2 Property, plant and equipment</b>				
<b>Year ended 31 March 2018</b>				
Opening net book value	2 202 360	388 995	-	2 591 355
Additions	183 878	167 098	-	350 976
Depreciation	-124 444	-165 209	-	-289 653
Closing net book value	<u>2 261 794</u>	<u>390 884</u>	<u>-</u>	<u>2 652 678</u>
Cost	5 305 775	1 655 458	328 500	7 289 733
Accumulated depreciation	-3 043 981	-1 264 574	-328 500	-4 637 055
Closing net book value at 31 March 2018	<u>2 261 794</u>	<u>390 884</u>	<u>-</u>	<u>2 652 678</u>
<b>Year ended 31 March 2017</b>				
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>-</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>-</u>	<u>2 591 355</u>

**Uviwe Child & Youth Services**  
**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

**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
<b>Owned property utilized by the Entity</b>							
Toynbee Schauderville (office), ERF 6867 Corner of Jan Hofmeyr and Nicholas Street,	2.2	2.5	3 348 170	-	-1 670 752	1 677 418	5 350 000
New Gelvandale ECD, Toynbee Gelvandale, ERF 2739, Kobus Road	2.2	2.5	954 641	73 353	-569 572	458 422	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	-	110 525	-5 525	105 000	450 000
Ford Kobus ECD, Delpoort Street, Schauderville ERF 3777		10	53 085	-	-35 521	17 564	240 000
<b>Owned properties not utilized by the Entity</b>							
Siswe Setu Educare 150 Ndllovu 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
Freda Jobkowitz ECD, Thornton Rd, Schauderville ERF 17	2.1	10	6 897	-	-3 507	3 390	370 000
Lakeside ECD, ERF 663, Bethelsdorp	2.1		-	-	-	-	550 000
<b>Total</b>			<b>5 121 897</b>	<b>183 878</b>	<b>-3 043 981</b>	<b>2 261 794</b>	<b>11 890 000</b>

# Uviwe Child & Youth Services

## Notes to the Financial Statements

for the year ended 31 March 2018

### 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

	2018 R	2017 R
At cost: Investment portfolio		
Listed shares and other securities managed by: Rand Merchant Bank	-	1 781 423
Unlisted funds managed by: FNB Money Market	-	520 000
	<hr/>	<hr/>
	-	2 301 423
At surrender/discounted value:		
Annuities	-	-
Endowment policies	-	204 030
	<hr/>	<hr/>
	-	2 505 453
Investment portfolio at fair value:		
Rand Merchant Bank at 31 March 2017	<hr/>	<hr/>
	-	2 152 340

All investments were surrendered in the 2018 financial year in order to fund retrenchments.

## Uviwe Child & Youth Services

### Notes to the Financial Statements

for the year ended 31 March 2018

#### 4 Cash and cash equivalents

	2018	2017
	R	R
First National Bank current account	175 646	195 718
First National Bank money market investment	759 239	696 501
Cash on hand	10 000	20 000
First National Bank – 32 days notice account	1 804 673	191 655
First National Bank-DSD Call Account	523 196	13 120
First National Bank- IDT/EPWP Call Account	109 293	-
First National Bank-ECD Business Cheque Account	55 949	65 553
	<u>3 437 996</u>	<u>1 182 547</u>

#### 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

	2018	2017
	R	R
Creditors	33 431	50 950
Accruals	53 785	384 849
DSD Overpayments	1 022 199	1 022 199
Committed project funds provisions	258 256	65 359
	<u>1 367 671</u>	<u>1 523 357</u>

The DSD overpayments relate to overpayments received between the 2010 and 2012 financial periods.

#### 7 Operating lease

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

	2018	2017
	R	R
Less than one year	74 469	94 639
Between one and five years	24 373	105 162
	<u>98 842</u>	<u>199 801</u>

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 2018

	2018	2017
	R	R
<b>8 Cash utilised by operations</b>		
Deficit for the year	-105 223	-149 079
<b>Adjustments for:</b>		
Depreciation	289 653	250 208
Gain on book value of shares	-	78 657
Profit on disposal of shares	-515 925	-144 087
Profit on disposal of vehicles	-91 000	-
Change in surrender value endowments	-	-27 260
Other net investment movement	-	42 527
Investment Income	-113 373	-173 114
<b>Changes in working capital:</b>		
Trade and other receivables	72 228	-26 134
Trade and other payables	-155 686	-226 802
	<u>-619 326</u>	<u>-375 084</u>

### 9 Going concern

The entity incurred a net loss for the year ended 31 March 2018 of R105 223 (2017: R149 079), and as of that date the current assets exceeded its current liabilities by R2 073 325 (2017: current liabilities exceeded current assets by R265 582). The improvement in the liquidity of the entity is due to the disposal of investments for R3 021 378 in the current year to fund retrenchment packages, as disclosed in note 3.

Effective 1 April 2017 the Department of Social Development (DSD) no longer provided funding to Uviwe Child & Youth Services for child protection services. This resulted in the organisation's child protection division having to close down during the financial year and affected staff were retrenched.

The management board of Uviwe have made an assessment of the entity's ability to continue as a concern and believe that the entity will continue as a going concern for the foreseeable future. The assessment is based on confirmed funding to the amount of R 4.4 million from the government and other corporate funders for the year ending 31 March 2019, of which R 2.9 million has been received subsequent to year end. In addition, the entity has applied for additional funding from other corporate funders but is still at the negotiation phase.

Management have assessed their cash flow forecast and although they have forecasted a loss for the 2019 financial year, the entity has adequate cash resources and reserves in place to settle its liabilities in the ordinary course of business for the foreseeable future.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

### 10 Subsequent events

No material subsequent events occurred that would have an impact on the financial statements.

## 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 2018

	2018 R	2017 R
<b>Operating income</b>		
ECD Parent fees - school fees	1 143 158	1 057 140
ECD Administration fee	489 591	401 311
Other fees	46 975	128 352
Fundraising – local	44 939	250 714
Government ECD subsidies	822 735	708 538
Government salary subsidies	35 016	4 496 339
Government subsidies - DSD PEIP1	408 622	-
Government subsidies - DSD PEIP2	1 388 640	-
Government subsidies - IDT/EPWP*	77 036	-
Donations – Section 18(A)	80 500	40 000
Donations – Non Section 18(A)	21 073	13 900
The Herald Christmas Cheer	500	500
Training	26 753	4 523
Profit on sale of property, plant and equipment	91 000	200
Grant-in-Aid	123 604	95 812
Nelson Mandela Bay Municipality	1 756	3 244
Infant Trust UK	121 297	161 976
FEMA	480 000	450 000
NMG	350 000	416 740
Vital Foundation	-	200 000
Steinmuller Africa	-	50 000
Bilfinger Intervolve	-	50 000
Helenvale conduit	-	10 000
	<u>5 753 195</u>	<u>8 539 289</u>
<b>Operating expenditure</b>		
Auditors remuneration	-22 805	-22 960
Administration fees – ECD	-489 591	-401 311
Program Costs	-59 130	-86 285
Depreciation	-289 653	-250 208
Electricity and water	-261 644	-279 474
Education equipment	-62 821	-43 777
Educational Activities	-147 471	-104 453
Educational Outing	-29 220	-12 965
Equipment hire	-106 359	-89 257
Fundraising expense	-33 891	-85 803
Nutrition	-185 879	-115 799
IT Services	-69 460	-94 602
Insurance	-110 472	-127 706
Marketing and publications	-47 238	-102 573
Other operating expenses	-391 005	-386 391
Printing and stationery	-104 517	-72 574
Professional services	-19 254	-22 850
Repairs, maintenance and rates	-65 584	-162 667
Salaries and other staff costs	-4 019 053	-6 642 444
Telephone and postage	-65 538	-86 478
Transport	-71 041	-171 272
Workman’s compensation	-11 580	-98 305
Loss on book value of shares	-	-78 657
	<u>-6 663 206</u>	<u>-9 538 811</u>
<b>Operating deficit carried forward</b>	<u>-910 011</u>	<u>-999 522</u>

\* IDT/EPWP income relates to funding received to cover bank charges and admin fees associated with the project

## 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 2018

	2018	2017
	R	R
<b>Operating deficit brought forward</b>	<b>-910 011</b>	<b>-999 522</b>
<b>Other annual income</b>		
Gain on book value of shares	-	-
Profit on disposal of shares	515 925	144 087
Change in surrender value endowments	-	27 260
Dividends	3 194	36 545
Interest received	110 179	136 569
Discount Received	1 841	-
Rental Income	15 843	89 500
Charity Shop	15 307	34 757
Other	106 315	324 875
	<u>768 604</u>	<u>793 593</u>
<b>Deficit of annual income over expenditure for the year</b>	<b>-141 407</b>	<b>-205 929</b>
Bequests	36 184	56 850
<b>Deficit for the year</b>	<b><u>-105 223</u></b>	<b><u>-149 079</u></b>

Internal administration fees of R489 591 (2017: R401 311) 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 2018

	2018	2017
	R	R
Bank charges	-60 674	-50 286
Security	-27 628	-48 073
Casual wages	-41 656	-33 310
Cleaning	-30 438	-48 599
Clothing	-	-2 437
Garden	-10 640	-22 863
Gifts	-8 473	-24 173
Governance Expenses	-34 788	-9 374
Indemnity Insurance	-	-3 750
Licenses	-2 912	-8 012
Refreshments/catering (programs)	-13 117	-11 357
Registration fees	-	-9 214
Rental	-9 950	-16 174
Staff development	-29 784	-63 798
Stipends	-	-900
Office Furniture	-26 095	-200
Travel, accommodation and subsistence allowance	-24 422	-15 093
Health & Safety	-11 923	-8 285
Food parcels	-	-4 242
Office equipment	-20 192	-6 251
Sundry expense	-38 313	-
	<u>-391 005</u>	<u>-386 391</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:

<b>Carol Mangold ECD Centre</b>	<b>2018</b>	<b>2017</b>
<i>for the year ended 31 March 2018</i>		
	<b>R</b>	<b>R</b>
<b>Operating income</b>		
Fees received	193 990	165 651
Fundraising – local	7 350	21 932
Venue Hire	1 000	1 050
Government fee subsidies	132 210	109 620
NMG	10 000	19 989
Infant Trust UK	-	-
FEMA	10 000	5 000
	<u>354 550</u>	<u>323 242</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-89 017	-66 885
Depreciation	-12 780	-11 493
Electricity and water	-14 403	-4 000
Education equipment	-142	-
Educational Activities	-	-1 614
Educational Outing	-6 835	-655
Fundraising expense	-	-13 430
Nutrition	-18 504	-1 382
Insurance	-1 148	-
IT Services	-986	-66
Marketing and publications	-3 815	-4 268
Other expenses	-12 245	-21 114
Printing and stationery	-1 446	-2 745
Repairs, maintenance and rates	-834	-2 500
Salaries and other staff costs	-183 291	-191 780
Telephone and postage	-4 671	-5 034
Transport	-2 120	-4 095
Workman's compensation	-577	-596
	<u>-352 815</u>	<u>-331 658</u>
<b>Operating deficit</b>	1 735	-8 416
Interest received	-	-
<b>Deficit for the year</b>	<u>1 735</u>	<u>-8 416</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 2018

	2018 R	2017 R
<b>Operating income</b>		
Fees received	233 189	154 400
Fundraising – local	6 500	35 113
Rental Income	-	400
Government fee subsidies	161 010	127 015
NMG	10 000	22 323
FEMA	10 000	5 000
	<u>420 699</u>	<u>344 251</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-89 017	-66 885
Depreciation	-12 780	-13 942
Electricity and water	-16 716	-11 713
Education equipment	-142	-
Educational Activities	-	-2 324
Educational Outing	-3 425	-1 790
Fundraising expense	-7 226	-7 012
Nutrition	-17 822	-15 165
Insurance	-1 098	-1 338
IT Services	-2 018	-1 033
Marketing and publications	-3 925	-2 838
Other expenses	-43 469	-22 863
Printing and stationery	-2 058	-3 656
Repairs, maintenance and rates	-4 359	-5 027
Salaries and other staff costs	-167 116	-192 838
Telephone and postage	-5 443	-6 499
Transport	-1 065	-4 624
Workman's compensation	-480	-552
	<u>-378 161</u>	<u>-360 099</u>
<b>Operating surplus/(Deficit)</b>	42 539	-15 848
<b>Other annual income</b>		
Interest received	-	-
<b>Surplus/(Deficit) for the year</b>	<u><u>42 539</u></u>	<u><u>-15 848</u></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 2018

	2018	2017
	R	R
<b>Operating income</b>		
Fees received	260 724	188 940
Fundraising – local	270	14 420
Government fee subsidies	143 925	116 340
NMG	10 000	18 581
FEMA	10 000	5 000
	<u>424 919</u>	<u>343 281</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-89 017	-66 885
Depreciation	-12 780	-13 942
Electricity and water	-17 784	-10 410
Education equipment	-332	-144
Educational Activities	-138	-2 554
Educational Outing	-7 235	-655
Fundraising expense	-2 407	-5 300
Nutrition	-20 398	-17 752
Insurance	-1 049	-1 205
IT Services	-976	-66
Marketing and publications	-4 475	-4 101
Other expenses	-12 435	-24 481
Printing and stationery	-2 770	-4 575
Repairs, maintenance and rates	-9 412	-3 706
Salaries and other staff costs	-190 751	-175 854
Telephone and postage	-4 930	-4 847
Transport	-3 710	-5 062
Workman's compensation	-548	-496
	<u>-381 147</u>	<u>-342 035</u>
<b>Operating surplus</b>	43 772	1 246
<b>Other annual income</b>		
Interest received	-	-
<b>Surplus for the year</b>	<u><u>43 772</u></u>	<u><u>1 246</u></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:

### Freda Jabkowitz ECD Centre

for the year ended 31 March 2018

	2018 R	2017 R
<b>Operating income</b>		
Fees received	63 195	176 500
Fundraising – local	2 465	29 038
Government fee subsidies	55 995	109 185
NMG	-	19 674
FEMA	-	5 000
	<u>121 655</u>	<u>339 397</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-44 508	-66 885
Depreciation	-12 780	-13 942
Electricity and water	-7 344	-16 614
Education equipment	-142	-
Educational Activities	-	-1 339
Educational Outing	-	-
Fundraising expense	-525	-4 450
Nutrition	-10 354	-19 115
Insurance	-1 156	-1 405
IT Services	-	-66
Marketing and publications	-	-3 698
Other expenses	-4 433	-22 718
Printing and stationery	-926	-2 406
Repairs, maintenance and rates	-903	-5 437
Salaries and other staff costs	-93 609	-192 928
Telephone and postage	-4 670	-6 477
Transport	-1 310	-1 941
Workman's compensation	-231	-514
	<u>-182 892</u>	<u>-359 937</u>
<b>Operating deficit</b>	-61 237	-20 539
<b>Other annual income</b>		
Interest received	-	-
<b>Deficit for the year</b>	<u>-61 237</u>	<u>-20 539</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 2018

	2018	2017
	R	R
<b>Operating income</b>		
Fees received	268 265	215 000
Fundraising – local	12 710	62 400
Government fee subsidies	181 335	141 506
NMG	10 000	20 377
FEMA	10 000	5 000
	<u>482 310</u>	<u>444 283</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-89 017	-66 885
Depreciation	-12 780	-13 942
Electricity and water	-16 481	-18 596
Education equipment	-142	-
Educational Activities	-	-2 782
Educational Outing	-5 725	-2 010
Fundraising expense	-5 698	-4 650
Nutrition	-22 295	-18 537
Insurance	-1 663	-1 742
IT Services	-976	-66
Marketing and publications	-3 925	-3 818
Other expenses	-14 487	-24 743
Printing and stationery	-2 557	-3 669
Repairs, maintenance and rates	-24 073	-23 683
Salaries and other staff costs	-157 218	-184 829
Telephone and postage	-3 535	-1 239
Transport	-1 294	-2 620
Workman's compensation	-417	-447
	<u>-362 284</u>	<u>-374 259</u>
<b>Operating surplus</b>	120 026	70 024
<b>Other annual income</b>		
Interest received	-	-
<b>Surplus for the year</b>	<u>120 026</u>	<u>70 024</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 2018

	2018	2017
	R	R
<b>Operating income</b>		
Fees received	227 420	201 040
Fundraising – local	2 588	27 630
Government fee subsidies	148 260	121 605
Rental Income	5 720	17 100
Nelson Mandela Bay Metro	-	3 244
NMG	10 000	21 750
FEMA	10 000	5 000
	<u>403 988</u>	<u>397 369</u>
<b>Operating expenditure</b>		
Administration fees – ECD	-89 017	-66 885
Depreciation	-12 780	-13 942
Electricity and water	-35 625	-50 205
Education equipment	-142	-
Educational Activities	-	-3 089
Educational Outing	-6 000	-2 840
Fundraising expense	-4 299	-7 300
Nutrition	-17 648	-14 146
Insurance	-4 065	-4 552
IT Services	-2 008	-1 831
Marketing and publications	-5 310	-6 108
Other expenses	-10 843	-23 054
Printing and stationery	-1 645	-2 100
Repairs, maintenance and rates	-1 963	-5 534
Salaries and other staff costs	-217 534	-208 840
Telephone and postage	-7 648	-6 682
Transport	-3 470	-5 087
Workman's compensation	-727	-698
	<u>-420 724</u>	<u>-422 894</u>
<b>Operating surplus</b>	-16 736	-25 525
<b>Other annual income</b>		
Interest received	-	-
<b>Deficit for the year</b>	<u><u>-16 736</u></u>	<u><u>-25 525</u></u>