

Emmanuel Educare Pre-school

(Registration Number 930046186)

**Annual Financial Statements
for the year ended 31 December 2021**

Audited Financial Statements

in compliance with South African Schools Act 84 of 1996

Prepared by: Advantage Accountants Inc.

Date published: 16 September 2022

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Index

	Page
General Information	2
Governing Body's Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11
The supplementary information presented does not form part of the Financial Statements and is unaudited: Detailed Income Statement	12

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of Incorporation and Domicile	South Africa
PBO Number	930046186
Governing Body	Cordelia Wehr (Chairperson) Thembanani Mbongo (Deputy Chairperson) Anele Mfazwe Divan Addinall (Treasurer) Fiorella Martin Francis Van Wyk Gabriella le Grange (Secretary) Hazel Albertus (Principal) Letitia Williams Mphatso Khoriyo Shane James Yvette Dreyer Zulpha Stryers
Registered Office	Cnr Egret Close & Westlake Drive Westlake 7945
Postal Address	P O Box 30113 Tokai 7966
Bankers	First National Bank Ltd
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the South African Schools Act 84 of 1996.
Auditors	Advantage Accountants Inc

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Governing Body's Responsibilities and Approval

The governing body are required by the South African Schools Act 84 of 1996 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the school, and explain the transactions and financial position of the business of the school at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the school and supported by reasonable and prudent judgements and estimates.

The governing body acknowledge that they are ultimately responsible for the system of internal financial control established by the school and place considerable importance on maintaining a strong control environment. To enable the governing body to meet these responsibilities, the governing body set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the school and all employees are required to maintain the highest ethical standards in ensuring the school business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the school is on identifying, assessing, managing and monitoring all known forms of risk across the school. While operating risk cannot be fully eliminated, the school endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The governing body are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the governing body have no reason to believe that the school will not be a going concern in the foreseeable future. The financial statements support the viability of the school.

The annual financial statements have been audited by the independent auditing firm, Advantage Accountants Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the governing body. The governing body believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 11, and the supplementary information set out on page 12 which have been prepared on the going concern basis, were approved by the governing body and were signed on 16 September 2022 on their behalf by:



Chairperson



Treasurer

ADDINALL D.



Secretary



Principal

Independent Auditor's Report

To the Governing Body of Emmanuel Educare Pre-school

Opinion

We have audited the financial statements of Emmanuel Educare Pre-school set out on pages 6 to 11, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in funds 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 present fairly, in all material respects, the financial position of Emmanuel Educare Pre-school as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the South African Schools Act 84 of 1996.

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 school 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Governing Body for the Financial Statements

The governing body are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the South African Schools Act 84 of 1996, and for such internal control as the governing body 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 governing body are responsible for assessing the school'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 governing body either intend to liquidate the school 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 school's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- Conclude on the appropriateness of the governing body's 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 school'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 school to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing body 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.

Advantage Accountants Inc

16 September 2022



Per: RA Letcher
Director
Registered Auditor

33 Brommaert Avenue
Constantia
7806

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Position

Figures in R

	Notes	2021	2020
Current assets			
Trade and other receivables	2	13,589	84,105
Cash and cash equivalents	3	362,635	12,402
Total current assets		376,224	96,507
Total assets		376,224	96,507
Funds and liabilities			
Funds			
Accumulated surplus / (accumulated deficit)		61,108	(104,009)
Liabilities			
Current liabilities			
Trade and other payables	4	255,230	144,806
Special Funds	5	59,886	55,710
Total current liabilities		315,116	200,516
Total liabilities		315,116	200,516
Total funds and liabilities		376,224	96,507

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

Figures in R

	2021	2020
Revenue	890,556	576,601
Other income	1,077,362	1,106,734
Administrative expenses	(47,051)	(39,808)
Other expenses	(1,755,751)	(1,826,099)
Surplus / (deficit) from operating activities	165,116	(182,572)
Surplus / (deficit) for the year	165,116	(182,572)

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Statement of Changes in Funds

Figures in R	Accumulated surplus / (accumulated deficit)	Total
Balance at 1 January 2020	78,562	78,562
Changes in funds		
Deficit for the year	(182,571)	(182,571)
Total comprehensive income	(182,571)	(182,571)
Balance at 31 December 2020	(104,009)	(104,009)
Balance at 1 January 2021	(104,009)	(104,009)
Changes in funds		
Surplus for the year	165,116	165,116
Total comprehensive income	165,116	165,116
Balance at 31 December 2021	61,107	61,107

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in R

	Note	2021	2020
Cash flows from / (used in) operations			
Surplus / (deficit) for the year		165,117	(182,571)
Adjustments to reconcile surplus / (deficit)			
Adjustments for decrease in trade accounts receivable		-	47,310
Adjustments for decrease in other operating receivables		70,516	131,118
Adjustments for increase in trade accounts payable		118,740	-
Adjustments for decrease in other operating payables		(8,316)	(1,344)
Adjustments for increase in special funds		4,176	1,235
Total adjustments to reconcile surplus / (deficit)		185,116	178,319
Net cash flows from / (used in) operations		350,233	(4,252)
Net increase / (decrease) in cash and cash equivalents		350,233	(4,252)
Cash and cash equivalents at beginning of the year		12,402	16,654
Cash and cash equivalents at end of the year	3	362,635	12,402

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements of Emmanuel Educare Pre-school have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the South African Schools Act 84 of 1996. The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

1.1 Tax

The school has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act and is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act.

1.2 Revenue

School fee income is recognised on a payments basis as school fees are voluntary. The recognition of school fees received in advance is deferred until such time as the school is entitled to recognise that revenue, i.e. when the school year starts.

Interest income is recognised using the effective interest method.

1.3 Bursary Fund

The Bursary fund is used for providing bursaries to deserving learners. During the year income and expenditure transactions which relate to the bursary fund are posted directly to the fund.

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in R

2021

2020

2. Trade and other receivables

Trade and other receivables comprise:

Westlake United Church Trust	-	84,105
Prepaid expenses	9,695	-
Netcash collections receivable	1,694	-
Aftercare fees receivable	2,200	-
Total trade and other receivables	13,589	84,105

3. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash on hand	817	3,439
Balances with banks	361,818	8,963
Total cash and cash equivalents included in current assets	362,635	12,402

4. Trade and other payables

Trade and other payables comprise:

Westlake United Church Trust	118,740	-
School fees received in advance	3,430	4,510
Western Cape Education Department Grant	128,650	139,500
Sundry creditors	4,410	796
Total trade and other payables	255,230	144,806

5. Special Funds

Bursary Fund

Balance at beginning of year	43,134	29,544
Add: Funds received	40,850	45,340
Less: Funds applied	(45 810)	(31 750)
Balance at end of year	<u>38,174</u>	<u>43,134</u>

Equipment Fund

Balance at beginning of year	12,576	24,930
Add: Funds received	25,462	26,218
Less: Funds applied	(16,326)	(38,572)
Balance at end of year	<u>21,712</u>	<u>12,576</u>

Total special funds

59,886	55,710
---------------	---------------

Emmanuel Educare Pre-school

(Registration Number 930046186)

Annual Financial Statements for the year ended 31 December 2021

Detailed Income Statement

Figures in R

	2021	2020
Revenue		
School fees	890,556	576,601
Total revenue	890,556	576,601
Other income		
Donations received	253,682	293,040
Fundraising income	52,265	-
Interest received	1	-
Western Cape Department of Social Development	239,764	257,994
Western Cape Education Department	531,650	555,700
Total other income	1,077,362	1,106,734
Administrative expenses		
Auditors remuneration - fees	(10,700)	(8,200)
Bank charges	(11,256)	(7,148)
Computer expenses	(823)	-
Printing and stationery	(14,672)	(14,860)
Telephone and fax	(9,600)	(9,600)
Total administrative expenses	(47,051)	(39,808)
Other expenses		
Consumables	(9,533)	(6,906)
Employee costs	(1,317,267)	(1,442,073)
Facilities and equipment	(103,385)	(71,886)
Fundraising expense	(27,382)	-
Groceries and cleaning	(88,738)	(94,938)
Insurance	(27,512)	(23,839)
Motor vehicle expense	(27,783)	(24,621)
Municipal charges	(76,407)	(76,662)
Pest control	(6,996)	(5,724)
Rent	(60,000)	(60,000)
Repairs and maintenance	(10,748)	(19,450)
Total other expenses	(1,755,751)	(1,826,099)
Surplus / (deficit) from operating activities	165,116	(182,572)
Surplus / (deficit) for the year	165,116	(182,572)