

KENOSIS COMMUNITY TRUST

**ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2016**

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RE BUHR

CHARTERED ACCOUNTANT (SA) S. REGISTERED AUDITOR

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KENOSIS COMMUNITY TRUST

We have audited the annual financial statements of the Kenosis Community Trust, which comprise the trustees report, the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statements of changes in funds and reserves for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on page 3 to 11.

Trustees Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as set out in note 1 of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial statements.

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


Qualifications

In common with similar organisations, it is not feasible for the trust to institute accounting controls over income of a voluntary nature prior to the initial entry of such collections in the accounting records. Accordingly, it was impracticable for us to extend our examinations beyond the receipts actually recorded.

REPORT OF THE INDEPENDENT AUDITOR (Continued)

Qualified Audit Opinion

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, the accompanying financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in note 1.


R E Buhr CA(SA)
Registered Auditor

Pietermaritzburg

Date: 26/5/17

KENOSIS COMMUNITY TRUST

REPORT OF THE TRUSTEES

For the year ended 31 December 2016

The trustees submit the annual financial statements for the year ended 31 December 2016 and report as follows:

General Review

The objectives of the Trust are:

- To promote, foster and advance the Christian Religion on a public basis.
 - To acquire immovable property exclusively for religious purposes and use.
 - To improve the skills of lay-people who are called to the Christian lay-ministry.
 - To conduct religious retreats for the spiritual and educational edification of Christian religious congregants.
- Currently the main activity of the trust is to house and care for orphans and disadvantaged families.

Statement of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on whether the financial statements have been prepared in all respects in accordance with the disclosed basis of accounting. The financial statements have been prepared in accordance with the basis of accounting disclosed in note 1, and in the manner required by the organisation.

The trustees are also responsible for the organisations system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

Going concern

The annual financial statements have been 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, contingent obligations and commitments will occur in the ordinary course of business.

We draw attention to the statement of comprehensive income, which indicates that the trust made a deficit of R497 312 for the year ended 31 December 2016.

The ability of the trust to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the on going operations for the trust.

The trustees have every reason to believe that the trust has adequate resources in place and procure funding to continue in operation for the year ahead.

KENOSIS COMMUNITY TRUST

REPORT OF THE TRUSTEES (Continued)
For the year ended 31 December 2016

Financial results and state of affairs

The financial results for the year under review are reflected in the statement of comprehensive income and the financial position of the organisation at 31 December 2016 is set out in the statement of financial position.

Trustees

The following acted as trustees during the period and up to the date of this report:

JG Tonsing
C Sievers
M von Fintel
NP Phaswana
TS Nsibande

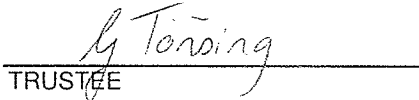
Annual Financial Statements

The financial statements are prepared on the basis of accounting set out in note 1 to the financial statements. The basis of accounting and presentation and disclosures contained in the financial statements are not required or intended to and do not comply, in all respect, with International Financial Reporting Statements.

The annual financial statements, set out on pages 2 to 11, have been approved by the trustees and are hereby signed by:



TRUSTEE



TRUSTEE

Date: 27.5.2017

KENOSIS COMMUNITY TRUST

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Notes	2016 R	2015 R
ASSETS			
<i>Non-current assets</i>		4 184 161	4 218 702
Property, plant and equipment	2	4 184 161	4 218 702
<i>Current assets</i>		981 440	1 415 711
Cash and cash equivalents	5	979 940	1 415 711
Trade and other receivables		1 500	-
<i>Total assets</i>		<u>5 165 601</u>	<u>5 634 413</u>
EQUITY AND LIABILITIES			
<i>Equity</i>		5 122 379	5 619 691
Capital		1 000	1 000
Accumulated funds		5 121 379	5 618 691
<i>Current Liabilities</i>		43 222	14 722
Other payables		43 222	14 722
<i>Total equity and liabilities</i>		<u>5 165 601</u>	<u>5 634 413</u>

KENOSIS COMMUNITY TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	2016 R	2015 R
INCOME	4	757 063	862 189
EXPENDITURE		(1 254 375)	(1 222 230)
Accounting fees		47 288	70 453
Allowances: Foster mothers and volunteers		113 939	102 243
Auditors remuneration - audit fees		24 675	21 660
Bank charges		14 458	9 052
Cleaning expenses		-	173
Computer expenses		14 354	95
Consulting fees		-	6 983
Depreciation	2	39 040	90 970
Fixed asset scrapped		1	-
Fuel and oil		59 939	50 062
Functions		4 241	2 657
Garden expenses		3 010	4 648
Gas expenses		11 625	15 867
General expenses		1 061	5 619
Groceries		2 020	12 355
Interest and penalties		1 311	1 018
Insurance and license		89 515	86 412
Kenosis kids		6 018	31 632
Kids week		19 157	12 168
Parking fees		575	809
Printing, stationery and postage		5 942	5 317
Repairs and maintenance	3	69 115	43 364
Salaries, wages and contributions		597 747	562 627
Security: Animals		4 076	2 991
Security		29 679	5 660
Staff welfare		1 673	2 508
Subscriptions		4 500	-
Telephone		6 900	11 291
Training and seminars		-	6 000
Travel and accommodation		2 837	48
Water and electricity		79 679	57 548
Net deficit for the year		<u>(497 312)</u>	<u>(360 041)</u>

KENOSIS COMMUNITY TRUST

STATEMENT OF CHANGES IN FUNDS AND RESERVES
For the year ended 31 December 2016

	Capital R	Accumulated Funds R	TOTAL R
Balance at 31 December 2014	1 000	5 978 732	5 979 732
Net deficit for the year	-	(360 041)	(360 041)
Balance at 31 December 2015	<u>1 000</u>	<u>5 618 691</u>	<u>5 619 691</u>
Net deficit for the year	-	(497 312)	(497 312)
Balance at 31 December 2016	<u><u>1 000</u></u>	<u><u>5 121 379</u></u>	<u><u>5 122 379</u></u>

KENOSIS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with accounting principles applicable to the organisation. The financial statements are prepared under the historical cost convention. The financial statements are prepared on the going concern basis.

1.1 Revenue

Interest is recognised on a time proportion basis which takes into account the effective yield on the assets over the period it is expected to be held.

Donations in kind have not been recorded in the accounting records.

1.2 Property, plant and equipment

Land and buildings are not depreciated and are reflected at valuation. Other fixed assets are depreciated on the straight line method at rates considered appropriate to reduce carrying values over the useful lives of the assets to estimate residual values.

The depreciation rates applicable to each category of property, plant and equipment are as follows:

Furniture and fittings	6 years
Motor vehicles	5 years
Office equipment	3 years

2. PROPERTY, PLANT AND EQUIPMENT

	Property R	Furniture & Fittings R	Motor Vehicles R	Office Equipment R	Total R
Year ended 31 December 2015					
Opening carrying amount	3 900 000	2 731	387 070	6	4 289 808
Gross carrying amount	3 900 000	139 997	915 849	47 615	5 003 461
Accumulated depreciation	-	(137 266)	(528 779)	(47 609)	(713 653)
Additions	-	-	-	19 865	19 865
Depreciation	-	(2 173)	(68 939)	(19 858)	(90 970)
Closing carrying amount	3 900 000	558	318 131	13	4 218 702
Gross carrying amount	3 900 000	139 997	915 849	67 480	5 023 325
Accumulated depreciation	-	(139 439)	(597 718)	(67 467)	(804 623)
Year ended 31 December 2016					
Opening carrying amount	3 900 000	558	318 131	13	4 218 702
Gross carrying amount	3 900 000	139 997	915 849	67 480	5 023 325
Accumulated depreciation	-	(139 439)	(597 718)	(67 467)	(804 623)
Additions	-	4 500	-	-	4 500
Depreciation	-	(5 040)	(34 000)	-	(39 040)
Scrapping of motor vehicle	-	-	(1)	-	(1)
Closing carrying amount	3 900 000	18	284 130	13	4 184 161
Gross carrying amount	3 900 000	144 497	871 571	67 480	4 983 547
Accumulated depreciation	-	(144 479)	(587 441)	(67 467)	(799 386)

KENOSIS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

2016
R

2015
R

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Property details as follows:

Residential property with buildings thereon, situated in Bishopstowe, Pietermaritzburg, KwaZulu-Natal District.

2.1 Remainder of the Farm Jakobi No. 16140, in extent 6.6640 hectares, held under Deed of transfer No. T43160/2004. (2011: Valuation R 1 700 000)

2.2 Portion 1 of the Farm Jakobi No. 16140, in extent 6.5660 hectares, held under Deed of transfer No. T1600/1990. (2011: Valuation R 1 000 000)

2 700 000 2 700 000

At cost			980 824	980 824
Additions	-1995		163 296	163 296
	-1996		204 630	204 630
	-1997		204	204
	-2009	Training project	232 140	232 140
	-2010		136 266	136 266
			1 717 360	1 717 360
Revaluation	-2011		982 640	982 640

2.3 Erf 21 (13) of Farm Bishopstwe No. 2587, in extent 3960 square metres, held under Deed of transfer No. T36907/1997. (2011: Valuation R 550 000)

2.4 Erf 35 (of 34) of Farm Bishopstwe No. 2587, in extent 2,8440 hectares, held under Deed of transfer No. T36907/1997. (2011: Valuation R 650 000)

1 200 000 1 200 000

At cost	-1997		278 419	278 419
Additions	-1998		42 434	42 434
	-1999		12 130	12 130
	-1999	Aids project	143 763	143 763
	-2000	Aids project	94 211	94 211
	-2001	Aids project	209 173	209 173
			780 130	780 130
Revaluation	-2011		419 870	419 870

3 900 000 3 900 000

3. REPAIRS AND MAINTENANCE

Buildings	24 700	19 857
Furniture and equipment	11 563	5 993
Vehicles	32 852	17 514
	<u>69 115</u>	<u>43 364</u>

KENOSIS COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

	2016 R	2015 R
4. INCOME		
Crèche net income	25 936	8 897
Donations received	634 106	753 948
Germany	-	652 182
Germany:		
- Youth education	50 062	-
- Community work	198 558	-
- Outreach/Spiritual	6 171	-
- Operational costs	296 410	-
- Feeding scheme	12 000	-
- Work with children	33 046	-
- Kids week	8 299	-
Local	29 560	101 766
Accommodation	27 800	23 100
Board and lodging - Volunteers	-	11 438
Interest	57 726	64 437
Sundry Income	11 495	369
	<u>757 063</u>	<u>862 189</u>

5. CASH AND CASH EQUIVALENTS

First National Bank		
- Call account	741 624	1 256 050
- Current account	176 408	121 127
- Crèche	60 363	35 388
Cash on hand	1 545	3 146
	<u>979 940</u>	<u>1 415 711</u>