

**KENOSIS COMMUNITY TRUST**  
**Registration Number : IT 4733/1989/PMB**

**ANNUAL FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**RE BUHR**

  
CHARTERED ACCOUNTANT (SA) & REGISTERED AUDITOR

**KENOSIS COMMUNITY TRUST**

**ANNUAL FINANCIAL STATEMENTS  
31 DECEMBER 2017**

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# RE BUHR

CHARTERED ACCOUNTANT (SA) & REGISTERED AUDITOR

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENOSIS COMMUNITY TRUST**

### **Opinion**

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 2017, 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.

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

### **Basis for Qualified 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 Annual Financial Statements section of our report. We are independent of the Association in accordance with the Independence 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.

In common with similar organizations, 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.

### **Trustees Responsibility for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with the basis of accounting as set out in note 1 to the Annual Financial Statements, and for such internal control as the trustees determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the trustees are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related going concern and using the going concern basis of accounting unless the congregations councillors either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF KENOSIS COMMUNITY TRUST**

**REPORT OF THE INDEPENDENT AUDITOR (continued)**

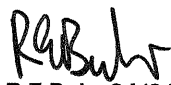
**Auditor's Responsibility for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements 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 International Standards on Auditing 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 Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the congregations councillors.
- Conclude on the appropriateness of the congregations councillors' 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 to the auditor's report to the related disclosures in Annual Financials 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosure, whether the Annual Financial Statements represent the underlying transactions and events in the manner that achieves fair presentation.

We communicate with the trustees 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.

  
R E Buhr CA(SA)  
Registered Auditor

Date: 21/6/18  
Pietermaritzburg

## **KENOSIS COMMUNITY TRUST**

### **REPORT OF THE TRUSTEES**

**For the year ended 31 December 2017**

The trustees submit the annual financial statements for the year ended 31 December 2017 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 R589 281 for the year ended 31 December 2017.

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 2017**

**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 2017 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
- TS Nsibande
- NP Phaswana (Resigned 13 March 2017)

**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  
Date: 21.6.2018

  
\_\_\_\_\_  
TRUSTEE

**KENOSIS COMMUNITY TRUST**

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2017

	Notes	2017 R	2016 R
<b>ASSETS</b>			
<i>Non-current assets</i>		4,082,991	4,184,161
Property, plant and equipment	2	4,082,991	4,184,161
<i>Current assets</i>		511,165	981,440
Trade and other receivables		27,715	1,500
Cash and cash equivalents	5	483,450	979,940
<i>Total assets</i>		4,594,156	5,165,601
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>		4,533,098	5,122,379
Capital		1,000	1,000
Accumulated funds		4,532,098	5,121,379
<i>Current Liabilities</i>		61,058	43,222
Other payables		61,058	43,222
<i>Total equity and liabilities</i>		4,594,156	5,165,601

**KENOSIS COMMUNITY TRUST**

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2017

	Notes	2017 R	2016 R
<b>INCOME</b>	<b>4</b>	732,693	757,063
<b>EXPENDITURE</b>		(1,321,974)	(1,254,375)
Accounting fees		45,770	47,288
Allowances: Foster mothers and volunteers		118,803	113,939
Auditors remuneration - audit fees		26,104	24,675
Bank charges		16,069	14,458
Cleaning expenses		1,030	-
Church expenses		202	-
Computer expenses		2,194	14,354
Consulting fees		200	-
Depreciation	<b>2</b>	101,169	39,040
Fixed asset scrapped		-	1
Fuel and oil		56,206	59,939
Functions		2,406	4,241
Garden expenses		1,313	3,010
Gas expenses		11,455	11,625
General expenses		259	1,061
Groceries		834	2,020
Interest and penalties		-	1,311
Insurance and license		82,112	89,515
Kenosis kids		22,093	6,018
Kids week		13,768	19,157
Minor assets written off		1,058	-
Parking fees		85	575
Printing, stationery and postage		2,056	5,942
Professional fees		50,125	-
Rental		634	-
Repairs and maintenance	<b>3</b>	73,501	69,115
Salaries, wages and contributions		545,325	597,747
Security: Animals		5,292	4,076
Security		7,517	29,679
Staff welfare		6,348	1,673
Subscriptions		6,321	4,500
Telephone		11,470	6,900
Training and seminars		22,390	-
Travel and accommodation		1,084	2,837
Water and electricity		86,781	79,679
Net deficit for the year		<u>(589,281)</u>	<u>(497,312)</u>



**KENOSIS COMMUNITY TRUST**

**STATEMENT OF CHANGES IN FUNDS AND RESERVES**  
**For the year ended 31 December 2017**

	<b>Capital Accumulated Funds</b>		<b>TOTAL</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Balance at 31 December 2015	1,000	5,618,691	5,619,691
Net deficit for the year	-	(497,312)	(497,312)
Balance at 31 December 2016	<u>1,000</u>	<u>5,121,379</u>	<u>5,122,379</u>
Net deficit for the year	-	(589,281)	(589,281)
Balance at 31 December 2017	<u>1,000</u>	<u>4,532,098</u>	<u>4,533,098</u>

## KENOSIS COMMUNITY TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

#### 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
<b>Year ended 31 December 2016</b>					
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)
<b>Year ended 31 December 2017</b>					
Opening 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)
Depreciation	-	-	(101,169)	-	(101,169)
Disposals	-	-	(1)	-	(1)
Closing carrying amount	3,900,000	18	182,960	13	4,082,991
Gross carrying amount	3,900,000	144,497	667,298	67,480	4,779,274
Accumulated depreciation	-	(144,479)	(484,338)	(67,467)	(696,283)

**KENOSIS COMMUNITY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

	2017	2016
	R	R
<b>4. INCOME</b>		
Crèche net income	77 105	25 936
Donations received	507 970	634 106
Germany:		
- Youth education	-	50 062
- Community work - Mission EineWelt	316 835	-
- Community work - Other	-	198 558
- Outreach/Spiritual - Mission EineWelt	4 391	-
- Outreach/Spiritual - Other	3 029	6 171
- Operational costs - Mission EineWelt	87 107	-
- Operational costs - Other	12 600	296 410
- Feeding scheme	-	12 000
- Work with children - Mission EineWelt	31 199	33 046
- Kids week	-	8 299
- Other	4 590	-
Local - PMB Community Chest Feeding Fund	27 000	-
Local - Other	21 219	29 560
Accommodation	101 005	27 800
Interest	29 309	57 726
Profit on disposal of asset	10 499	-
Sundry Income	6 805	11 495
	<u>732 693</u>	<u>757 063</u>
<b>5. CASH AND CASH EQUIVALENTS</b>		
First National Bank		
- Call account	303 417	741 624
- Current account	58 868	176 408
- Crèche account	114 057	60 363
Cash on hand	7 108	1 545
	<u>483 450</u>	<u>979 940</u>

**KENOSIS COMMUNITY TRUST**

**CRECHE STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2017

	2017 R
<b>INCOME</b>	108,050
<b>EXPENDITURE</b>	(30,945)
Cleaning Materials	942
Community Chest Feeding Fund	27,193
Groceries	2,444
Furniture and equipment	290
Stationery	76
Net income for the year	<u>77,105</u>

The supplementary information presented in the above crèche statement of comprehensive income does not form part of the annual financial statements and is unaudited. These figures are consolidated in the statement of comprehensive income of Kenosis Community Trust on page 7.