

Good Hope Psychological Service
(Registration number 054-297-NPO)
Annual Financial Statements
for the year ended 30 September 2014

Valentine Sargeant
Chartered Accountants (S.A.)
Registered Auditors
Published 25 November 2014

Good Hope Psychological Service

(Registration number 054-297-NPO)

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General Information

Country of incorporation and domicile	South Africa
Members	Mr P J Morris Mrs E H Broekman Dr D K Abrahams Ms G Lourens Mr R Frans Pastor P Molchin Ms P E Leslie Ms C de Klerk
Registered office	Stellenbosch Provincial Hospital Merriman Street Stellenbosch 7600
Business address	Stellenbosch Provincial Hospital Merriman Street Stellenbosch 7600
Postal address	P O Box 2075 Dennesig 7601
Bankers	ABSA
Auditors	Valentine Sargeant Chartered Accountants (S.A.) Registered Auditors
Registration number	054-297-NPO

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The reports and statements set out below comprise the annual financial statements presented to the members:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Members Responsibilities and Approval

The members are required 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 fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of members sets 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 members have reviewed the organisation's cash flow forecast for the year to 30 September 2015 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of members on 01 December 2014 and were signed on its behalf by:

Mr P J Morris

Mrs E H Broekman

01 December 2014

Independent Auditors' Report

To the members of Good Hope Psychological Service

We have audited the annual financial statements of Good Hope Psychological Service, as set out on pages 6 to 12, which comprise the statement of financial position as at 30 September 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Members Responsibility for the Annual Financial Statements

The organisation's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Good Hope Psychological Service as at 30 September 2014, 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.

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

Valentine Sargeant
Registered Auditors

01 December 2014

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Members Report

The members have pleasure in submitting their report on the annual financial statements of Good Hope Psychological Service for the year ended 30 September 2014.

1. Nature of business

Good Hope Psychological Service was formed in South Africa. The organisation operates in South Africa.

The organisation aims to provide free psychological service to resource poor people of the Boland and Drakenstein area, as well as community service to the same. Of particular concern are those children and adolescents that are suffering from the deprivations of poverty, violence and various forms of abuse.

There have been no material changes to the nature of the organisation's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

3. Members

The members in office at the date of this report are as follows:

Members

Mr P J Morris

Mrs E H Broekman

Dr D K Abrahams

Ms G Lourens

Mr R Frans

Pastor P Molchin

Ms P E Leslie

Ms C de Klerk

4. Events after the reporting period

The members are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

Valentine Sargeant continued in office as auditors for the organisation for 2014.

They will continue in office for the 2015 financial year.

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Statement of Financial Position as at 30 September 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	48,169	82,171
Current Assets			
Trade and other receivables	3	2,165	-
Cash and cash equivalents	4	989,952	535,756
		992,117	535,756
Total Assets		1,040,286	617,927
Equity and Liabilities			
Equity			
Accumulated surplus		1,032,934	611,200
Liabilities			
Current Liabilities			
Trade and other payables	5	7,352	6,727
Total Equity and Liabilities		1,040,286	617,927

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue		1,763,101	1,044,804
Operating expenses		(1,359,677)	(1,243,820)
Operating surplus (deficit)		403,424	(199,016)
Investment revenue	6	18,310	19,832
Surplus (deficit) for the year		421,734	(179,184)

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 October 2012	790,384	790,384
Deficit for the year	(179,184)	(179,184)
Balance at 01 October 2013	611,200	611,200
Surplus for the year	421,734	421,734
Balance at 30 September 2014	1,032,934	1,032,934

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash generated from (used in) operations	9	435,886	(164,387)
Interest income		18,310	19,832
Net cash from operating activities		454,196	(144,555)
Total cash movement for the year			
Cash at the beginning of the year		535,756	680,311
Total cash at end of the year	4	989,952	535,756

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Motor vehicles - South African Lotto	5 years

1.2 Revenue

The organisation is financed through donations and fundraising events.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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Figures in Rand

2014

2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles - South African Lotto	170,010	(121,841)	48,169	170,010	(87,839)	82,171

Reconciliation of property, plant and equipment - 2014

	Opening balance	Depreciation	Total
Motor vehicles - South African Lotto	82,171	(34,002)	48,169

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
Motor vehicles - South African Lotto	116,173	(34,002)	82,171

3. Trade and other receivables

Staff loans	2,165	-
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,918	-
Bank balances	988,034	535,756
	989,952	535,756

5. Trade and other payables

Accrued audit fees	7,352	6,727
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6. Investment revenue

Interest revenue

Bank	18,310	19,832
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7. Taxation

The organisation has been approved as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act and the following exemptions have been granted:

Section 10(1)(cN) and Section 56(1)(h) of the Income Tax Act,

Section 4(h) of The Estate Duty Act, 45 of 1955 and

Section 4(1)(f) of the Stamp Duties Act, 1968.

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Notes to the Annual Financial Statements

Figures in Rand	2014	2013
8. Auditors' remuneration		
Fees	7,353	6,726
9. Cash generated from (used in) operations		
Surplus (deficit) before taxation	421,734	(179,184)
Adjustments for:		
Depreciation and amortisation	34,002	34,002
Interest received - investment	(18,310)	(19,832)
Changes in working capital:		
Trade and other receivables	(2,165)	-
Trade and other payables	625	627
	435,886	(164,387)

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Detailed Income Statement

Figures in Rand	Note(s)	2014	2013
Revenue			
Donations received: Community Chest		22,380	19,380
Donations received: General		990,829	653,824
Donations received: South African Lotto		300,000	-
Donations received: Wings of Support (KLM)		449,892	371,600
		1,763,101	1,044,804
Other income			
Interest received	6	18,310	19,832
Operating expenses			
Accounting fees		(9,395)	(5,945)
Advertising		(4,500)	-
Auditors remuneration	8	(7,353)	(6,726)
Bank charges		(4,919)	(3,751)
Depreciation, amortisation and impairments		(34,002)	(34,002)
Employee costs		(1,196,312)	(1,143,013)
Fundraising costs		(14,685)	-
General expenses		-	(4,058)
Insurance		(8,599)	(321)
Motor vehicle expenses		(354)	(8,051)
Postage		-	(405)
Printing and stationery		(2,535)	(4,892)
Project costs		(24,541)	-
Refreshments		(5,874)	-
Repairs and maintenance		(437)	-
Telephone and fax		(9,623)	(9,000)
Therapeutic materials		(4,983)	-
Training and workshops		(16,400)	(15,103)
Travel - local		(15,165)	(8,006)
Website development costs		-	(547)
		(1,359,677)	(1,243,820)
Surplus (deficit) for the year		421,734	(179,184)