

## Epworth Children's Home 100th Annual General Meeting



Held on the 14th of November 2019

Year Ending April 2018 March 2019



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# AGENDA

- Welcome and opening in prayer
- Apologies
- Confirmation of minutes of previous Annual General Meeting
- Presentation of annual chairman report
- Presentation of treasurer's statement
- Confirmation of the Board members
- Appointment of Auditor
- General
- Closure

# MINUTES OF MEETING HELD ON THE 27<sup>TH</sup> OF SEPTEMBER 2018

Welcome to all, Epworth's theme this year has been one of HOPE , what does the future hold for our children? how do we get them ready to want more in a realistic way despite their backgrounds . A big thank you for the commitment and quality of care, from our staff. Many of whom have been here for over 25 years please know your service does not go unnoticed.

We have to acknowledge that the Therapy & Assessment center has played a huge part in upgrading these children's life, opening opportunities for them to deal with challenges. It has provided a means to find the best solution to ensure that they become the best version of themselves. The community is a lot more engaged and can see and feel the benefit of the work Epworth.

Epworth is turning 100 years on 2<sup>nd</sup> of November proving its ongoing commitment to inspiring HOPE and healing in assisting children and their families to achieve their potential.

## **The Treasurer Mr. Dave Bentley referred to the financial statements presented by the auditor highlighting the following points:**

Page 3 – Audit Opinion – In our opinion the annual financial statements present fairly, in all material respects, the financial position of The Epworth Children's Home (NPC) as at 31 March 2018.

Page 7 – The bottom row of numbers indicate that the total equity dropped in 2018 from R354 979 in 2017 to R 102 194. This indicates that the financial position at the end of 2018 is worse than the previous year.

Page 8 – Shows the reason for the drop-in equity: Donations decreased from R8.8m in 2017 to 6.6m in 2018. This is mainly due to receiving Lotto money in 2017 and not in 2018. However, costs were contained and showed a decrease from R7.7m to R7.1m.

Page 14 – Loans amounting to R 1.07 million rand which are unsecured, interest free and have no set repayment schedule. These are keeping Epworth solvent and should Epworth either close down or have surplus cash in future, these loans would be paid from the sale of assets. There was no change in these loans in 2018.

Page 15 – Summary of Income: This shows a breakdown of the sources of income, showing the Lotto income in 2017, but also showing an increase in income from the Assessment and Therapy center by R250 000 to R813 063. The original vision for the center was that it would cover the cost of all therapy at Epworth and has now almost reached that stage. This means that our children receive therapy at no net cost to Epworth.

Page 17 - Current cost trending lower in 2018 despite inflation due to effective cost cutting measures.

In summary, Epworth is in a precarious financial position, but we have been there for most of the past 10 years, and Epworth still lives!

# MEMBERS OF THE BOARD

## 2018- 2019 REPORT

Chairperson

Reverend Ron Robertson

Vice Chairperson

Dr. Lynette Roux

Treasurer

Mr. Dave Bentley

Directors

Bishop Jonathan Anderson

Ms Victoria Sikhakhane

Ms Joan Ratona

Ms. Nombasa Hlathi

Mr. Simon Smith

# CHAIRMAN REPORT

## **Well our Centenary Year has come and gone!**

100 years of Child Care that has seen literally hundreds of children placed into our care and custody for a season of their life's journey. Our constant prayer having been that their time here was an opportunity for healing, affirmation and an encouragement to face each new season beyond Epworth with courage and determination to shape their own future.

Epworth now stands at the threshold to a new season, a daunting season, in which we are now not only having to maintain the momentum we have achieved in this work of effective child care, but needing to identify and prepare for the new challenges that face us as a country and as a society. We have already shown an ability to utilize the resources we have to meet such challenges through the very effective work of the Therapy and Assessment Centre.

Let me highlight three such challenges that face us:

Firstly, the ongoing challenge of financial sustainability.

This especially in the light of economic challenges in the country where budgets are ever tighter, especially at Government levels. Donor funding has become more focused and specific, and generally with no provision made for the cost of personnel to manage such programs.

The word is 'sustainability' and the need to achieve this calls for thinking that is 'outside the box'!

Secondly, the challenge of the employability of the children leaving Epworth.

Given a current unemployment rate of 29%, 53'2% of this frightening number are young people between the ages of 16 – 24. The need therefore for us to look at creative ways of skilling our children so as to be employable, self-sustaining and independent.

Thirdly, the challenge of developing 'soft' skills.

There is a dire need for young people to develop coping skills within the high levels of violence evident in our society, especially violence against women. The need to inculcate values through programs that enable them (many of whom are victims of violence and abuse) to develop inner strength to resist repeating the cycle, to affirm the values of dignity and respect so as to play a meaningful and transformative role in their circles of influence.

I believe we have the resources to develop such programs, especially through the lessons learned in the development of the Therapy and Assessment Centre, the engagement of local churches and donors who have 'hands on' connections with Epworth. We need to think and act 'outside the box'.

The call / invitation is to develop foresight, not just strategic planning, to prepare Epworth for this next season so that the children are better able to face these daunting challenges.

In conclusion may I express on behalf of the Board it's deep appreciation to some people.

Firstly our acknowledgment of the Late Bishop Jonathan Anderson for his unstinting support of Epworth over the years he served on the Board.

Then to our Director, Penny Lundie, who remains a constant source of vision, energy, stability and close attention to the details of Epworth's everyday life. But more especially the continued investment of time and dedication during your period of mourning. The loss of our dear 'Gogo' Lundie – your Rock – has left a huge hole in our world here at Epworth. Thank you.

Then to the Staff. You have remained faithful despite the financial challenges that have left you facing late payment of salaries and having to forgo annual increases. The value of your interface with the children placed in your care is a gift that will only be truly appreciated as the children look back on their time here and give thanks to God for you. Thank you.

Finally to our Donors and friends who have helped us 'bridge the gap' – you know who you are – thank you. Your generosity towards and belief in what Epworth seeks to be is beyond words, thank you.

Yours in His service

A handwritten signature in black ink, appearing to read 'R Robertson', written in a cursive style.

Ron Robertson

(Chairman)

# DIRECTORS REPORT

At Epworth we do Hope.

Transformation has always been an admirable characteristic of this organisation and over the Centenary year we have reflected on all those changes and are proud of the very rich legacy we are a part of. Epworth has shifted shape when required to do so, to best serve the needs of our children and their families.


At the start of a new century we aim to continue to do so as a fore runner in Childcare in this country. Our challenge in this decade is to drive our transformation to enable us to respond to the challenges facing our country as a whole and as a result our children and their families, in an effective committed way.

Our therapy team is growing and constantly evolving and gaining strength, it is also threading its way into the community as more Epworth Interns graduate and assist us in a part time or full time way. Our resource of trained expertise is becoming a powerhouse of energy that we can call on to assist us with all of our ventures.

The sacredness of this organisation and its 100 years of service is in the purity of its vision and mission and the strength of our organisation is the many people who are dedicated to driving that vision and mission, our dedicated staff, our volunteers, our many committed partner donors help keep the dream alive.

The face of welfare and the nature of the challenges Epworth encounters have changed. We have spent time reviewing our strategy for the way forward. Creating Hope for children and their families is our core business. We believe in solution building through identifying strengths for our children and their families. Our children come here as survivors and it is central to our function to help them identify those survival strengths.

As a Board, management team and staff our plan for the year ahead is to start the new century with the same commitment to our vision and mission. Our Hope is for Epworth to be here for Children and their families in 2118

A handwritten signature in black ink, appearing to read 'Penny Ann Lundie', with a stylized flourish at the end.

Penny Ann Lundie

Director



# SOCIAL WORKERS REPORT

Solution focused philosophy remains as the backbone of the social work department.

The philosophy is brief and helps bring solutions quicker, leaving the children with the belief that they can transcend above all. With the use of solution focused our children do not only find now solutions but are empowered to apply coping skills in the long run.

Canalisation officers have continued working closely with us by attending panel meeting and doing home visits, which has helped us reunite one family with their mother. Boksburg Child Welfare and DSD Geluksdal remain a challenge as they have not renewed lapsed court orders and neither do, they honour panel meetings. The canalisation officer has tried to intervene, but these two organisations make promises that they do not honour.

The therapy centre continues to play a major role in supporting the programs offered, from screening for adoption, volunteers and foster parents to independent living preparation. The therapy centre is also teaching senior children effective ways of studying and several them are benefiting from it. This year two children have been introduced to a host parent with the possibility of turning into foster care. A number of volunteers have been screened throughout the year and the therapy centre assesses them to help us place them in the right discipline where their services will be highly beneficial.

We had two third year social work students from the University of Kwazulu Natal who did their practical learning with us in June and July.

Schools like St Catharine's, St Benedict's and Germiston High school have been supportive as they continue to refer their students for community service; the students from these schools are very helpful especially in the Homework centre. We also have about 6 volunteers also helping in the Homework Centre, care workers also assist during homework time which makes it more manageable to keep track of children's homework. Having more volunteers would be ideal so that the children who are struggling academically can receive individualised attention.

Our re-unification programme continues to achieve greater results, this year two children were placed back into family care. Four home visits were also conducted which has resulted in families reengaging with their children, we hope to foster and nurture these relationships until the children can go back home. Two children have been transferred to Emmarsdale which is an industrial school due to their challenging behaviour. It is our best hope that they benefit from this placement.

We have two children who will be completing their grade 10 at Elandspark School; the other two children who were in grade 9 were not invited for grade 10. This means we will be having four school leavers this year. Prestige Managers assisted us with the grade 10 farewell for our two school leavers.

Registration for CYCC expired on the 24<sup>th</sup> of February 2018. An application for the renewal of registration was sent out to the Department of Social Development and an inspection was conducted in March, the file was however misplaced, and a second inspection was conducted in September and we await feedback.

The department requires that we get our fire emergency certificate so that we can be fully registered as we are currently conditionally registered. This will need us to raise funds for the installation of the high-pressure fire hoses in order for us to qualify for full registration.

#### Achievements

- Two children reunited with family
- Two siblings matched with a host parent
- Three new admissions conducted in August 2019
- Two children completing their grade 10 and two completing grade 9 at Elandspark
- One child was transferred to a special school. Two referrals were also made for special education transfers
- Effective adherence to ARV treatment for our children recognised by the doctors at Lerato Clinic (Bertha Gxowa Germiston)
- Increased training opportunities for our staff members in the solution focused philosophy
- Partnerships with other Child and Youth Care Centres such as Kids Haven and Strathyre Girls Home in sporting activities



Antoinette Magda

Social Worker

# THERAPY AND ASSESSMENT REPORT

The Epworth Therapy and Assessment Centre continues to thrive as a social enterprise servicing both the children's home and broader community in a financially sustainable manner. In 2018/19 we have succeeded in generating income for more than 75% of our programme costs and have received several grants from proposals to cover the remaining programme costs. As the Epworth Children's Village has entered its centenary year and is enjoying its centenary celebrations, the Epworth Therapy and Assessment Centre is proud to have been the flagship programme, for the last seventeen years, in enabling the Village to meet its Vision and Mission. Without the Epworth Therapy and Assessment Centre, the Epworth Children's Village would not be able to provide the holistic, multidisciplinary, systemic care and intervention that it does.

## **Programme Objectives**

- Provide a full range of psychological services to children and families in Gauteng living in disadvantaged circumstances.
- Provide educational assessments and learning support to children experiencing barriers to learning who are unable to access these services privately.
- Provide IQ, school readiness, subject choice and career assessments to children in disadvantaged circumstances through their schools.
- Support and develop the capacity of teachers and parents through topical workshops.
- Develop the capacity of children and teenagers through topical workshops.
- Provide services to welfare organisations to assist with correct placement of children, the development of their individual plans, services for family reunification and foster care assessment, training and placement.
- Offer the full range of psychological services to children resident at Epworth, as well as their families, for the purposes of family reunification, learning enhancement, emotional and psychological wellbeing, life skills development and placement back into their communities.
- Develop skillful, community minded professionals in psychology, psychometry and counselling.

## **Who Are Our Beneficiaries?**

Our direct beneficiaries for this reporting period were:

- Children and families referred by the Courts, welfare organisations and Epworth Children's Village.
- Learners, parents and teachers from partner schools and those referred by the Dept. Ed.
- Schools and sites which contract with us for intern services: Boksburg Child Welfare, Hyde Park High School, Germiston High School, Dinwiddie Primary School, Arbor Primary School, Summerfields Primary School, Jeppe Preparatory School and Chance CYCC.
- Patients at the Bertha Gxowa Hospital.
- Interns and students from Wits, UJ, UKZN, UP and Pearson's Institute.

Our indirect beneficiaries are the families of children/adults who receive our services. Other indirect beneficiaries include the social workers, organisations and schools who refer clients and the families of the intern psychologists, psychometrists and registered counselling students who benefit from the capacity development of the interns.

## **Highlights of the Year**

Our intern psychologists for 2018 have set a high standard with regards to the holiday programmes which they have facilitated for the children resident in the Epworth Children's Village. Our holiday programmes are geared towards providing new experiences, learning and developing happy memories for our children that will last a lifetime. For the July 2018 holidays, the interns raised funds and implemented an action packed programme which included visits to the theatre, visits to the movies, baking, arts and crafts, fun activities at Epworth, visits to the zoo, visits to the bird show, and finally culminated in an amazing day at Gold Reef City. The children declared it their best holiday ever! The September/October holidays were themed around indigenous games and our children learned, and thoroughly enjoyed, traditional games from various cultures in South Africa. A few of which they continue to play amongst themselves during weekends and afternoons. The interns who are following this group have a tough act to follow!

We have also developed a working relationship with the Mental Health Department at the Bertha Gxowa Hospital during this reporting period. The hospital has facilitated monthly case presentations to the interns which has enriched their learning experience. Our interns have also had the opportunity to provide therapeutic services to patients in the hospital and this has further enhanced their type of client exposure. An internship at the Epworth Therapy and Assessment Centre remains one which gives vast variety and experience for interns who are starting their professional careers.

### **A Special Note of Thanks**

I would like to extend our thanks to our partner schools, welfare organisations and donors who choose to utilise our services for their beneficiaries. We especially thank the supervisors and experienced professionals who contribute so meaningfully to the development of our interns every year. Without the sharing of your expertise we would not be able to provide the service we provide and we would not be able to develop our interns into professional, skilled graduates.

It has been my privilege to be a part of this programme for the last four years and I look forward to seeing its continued, and greater success, under the practice management of one of our alumnae Mikayla Upiter.

A handwritten signature in blue ink, appearing to read 'Robyn Hill', with a stylized flourish at the end.

Robyn Hill  
Practice Manager

# FINANCIAL REPORT

**THE EPWORTH CHILDREN'S HOMES (NPC)**  
(Registration number 1920/006372/08)  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

ECOVIS ARB Auditors Inc.  
Chartered Accountants (SA)  
Registered Auditors



**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

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**Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

**Preparer**

A D Pienaar  
Chartered Accountant (S.A.)

**Published**

07 October 2019

**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

**Directors' Responsibilities and Approval**

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The directors are required by the Companies Act 71 of 2008, 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 company 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 judgements and estimates.

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

The directors 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.

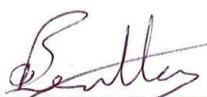
The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the directors on 07 October 2019 and were signed on its behalf by:

**Approval of annual financial statements**

  
\_\_\_\_\_  
Rev. R J Robertson

  
\_\_\_\_\_  
M D Bentley



## Independent Auditor's Report

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To the shareholders of The Epworth Children's Homes (NPC)

### Opinion

We have audited the annual financial statements of The Epworth Children's Homes (NPC) set out on pages 7 to 15, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Epworth Children's Homes (NPC) as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 company 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 annual 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.

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Directors: R Pieterse CA (SA), A D Pienaar CA (SA)

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## Independent Auditor's Report

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### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

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ECOVIS ARB Auditors Inc.  
Per: Rossouw Pieterse  
Director  
Chartered Accountants (SA)  
Registered Auditors

07 October 2019  
Johannesburg

**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

**Directors' Report**

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The directors have pleasure in submitting their report on the annual financial statements of The Epworth Children's Homes (NPC) for the year ended 31 March 2019.

**1. Nature of business**

The Epworth Children's Homes (NPC) was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

There have been no material changes to the nature of the company'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 and the requirements of the Companies Act 71 of 2008. 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 company are set out in these annual financial statements.

**3. Directors**

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

**Directors**

J D Anderson  
L M Roux  
M D Bentley  
N S Hlathi  
P J D Ratone  
Rev. R J Robertson  
S J Smith  
V Dolphin

There have been no changes to the directorate for the period under review.

**4. Directors' interests in contracts**

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

**5. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

Refer to note 2 of the annual financial statements for further details.

**6. Events after the reporting period**

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

**7. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

**Directors' Report**

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**8. Auditors**

ECOVIS ARB Auditors Inc. continued in office as auditors for the company for 2019.

**9. Secretary**

The company had no secretary during the year under review.

**10. Date of authorisation for issue of annual financial statements**

The annual financial statements have been authorised for issue by the directors on 07 October 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.



**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Statement of Financial Position as at 31 March 2019**

Figures in Rand	Note(s)	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	14	14
Other financial assets	3	2 388	2 388
		<b>2 402</b>	<b>2 402</b>
<b>Current Assets</b>			
Trade and other receivables	4	9 708	96 108
Cash and cash equivalents	5	51 387	3 684
		<b>61 095</b>	<b>99 792</b>
<b>Total Assets</b>		<b>63 497</b>	<b>102 194</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated deficit		(1 086 807)	(1 569 703)
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	6	970 000	1 070 000
<b>Current Liabilities</b>			
Trade and other payables	7	180 304	480 812
Bank overdraft	5	-	121 085
		<b>180 304</b>	<b>601 897</b>
<b>Total Liabilities</b>		<b>1 150 304</b>	<b>1 671 897</b>
<b>Total Equity and Liabilities</b>		<b>63 497</b>	<b>102 194</b>

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	12 months ended 31 March 2019	12 months ended 31 March 2018
Other income	8	7 455 053	6 604 821
Operating expenses		(6 958 377)	(7 111 706)
<b>Operating surplus (deficit)</b>	9	<b>496 676</b>	<b>(506 885)</b>
Investment revenue	10	6	9
Finance costs	11	(13 786)	(495)
<b>Surplus (deficit) for the year</b>		<b>482 896</b>	<b>(507 371)</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus (deficit) for the year</b>		<b>482 896</b>	<b>(507 371)</b>

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Statement of Changes in Equity**

Figures in Rand	Accumulated deficit	Total equity
Balance at 01 April 2017	(1 062 332)	(1 062 332)
Deficit for the year	(507 371)	(507 371)
Other comprehensive surplus	-	-
<b>Total comprehensive deficit for the year</b>	<b>(507 371)</b>	<b>(507 371)</b>
Balance at 01 April 2018	(1 569 703)	(1 569 703)
Surplus for the year	482 896	482 896
Other comprehensive surplus	-	-
<b>Total comprehensive surplus for the year</b>	<b>482 896</b>	<b>482 896</b>
<b>Balance at 31 March 2019</b>	<b>(1 086 807)</b>	<b>(1 086 807)</b>

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Statement of Cash Flows**

Figures in Rand	Note(s)	12 months ended 31 March 2019	12 months ended 31 March 2018
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	14	282 568	(384 466)
Interest income		6	9
Finance costs		(13 786)	(495)
<b>Net cash from operating activities</b>		<b>268 788</b>	<b>(384 952)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(100 000)	-
<b>Net cash from financing activities</b>		<b>(100 000)</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>168 788</b>	<b>(384 952)</b>
Cash at the beginning of the year		(117 401)	267 551
<b>Total cash at end of the year</b>	5	<b>51 387</b>	<b>(117 401)</b>



**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

**Accounting Policies**

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**1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

**Key sources of estimation uncertainty**

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

**1.2 Property, plant and equipment**

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

**1.3 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

**Financial instruments at cost**

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

**The Epworth Children's Homes (NPC)**  
**Annual Financial Statements for the Year ended 31 March 2019**

**Accounting Policies**

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**1.4 Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

**1.5 Provisions and contingencies**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

**1.6 Government grants**

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

**1.7 Revenue**

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

**1.8 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Notes to the Annual Financial Statements**

Figures in Rand	12 months ended 31 March 2019	12 months ended 31 March 2018
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**2. Property, plant and equipment**

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	3	-	3	3	-	3
Furniture and fixtures	3	-	3	3	-	3
Motor vehicles	8	-	8	8	-	8
<b>Total</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>14</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Closing balance
Buildings	3	3
Furniture and fixtures	3	3
Motor vehicles	8	8
	<b>14</b>	<b>14</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Closing balance
Buildings	3	3
Furniture and fixtures	3	3
Motor vehicles	8	8
	<b>14</b>	<b>14</b>

**Details of properties**

Erf 520 (consolidation of Erfs 455 to 457 and 459 to 463) Lambton Extention 1 Township, Germiston, 47 9th Avenue, Lambton.

Erf 453 Lambton Extention 1 Township, Germiston.

Erf 248 Primrose Township, No 8 Larkspur road, Primrose, Germiston.

The cost of an item of property, plant and equipment are written down to nominal value of R1 in the year of purchase.

The properties have the following value as per the director's valuations:

Erf 520: 7 439 000

Erf 453: 1 027 000

Erf 248: 630 000

**3. Other financial assets**

**At amortised cost**

B O E Fixed capital fund	2 388	2 388
The fixed capital fund bears interest at 6.45% per annum and has no fixed terms of repayment.		

**Non-current assets**

At amortised cost	2 388	2 388
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**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Notes to the Annual Financial Statements**

Figures in Rand	12 months ended 31 March 2019	12 months ended 31 March 2018
<b>4. Trade and other receivables</b>		
Deposits	4 300	4 300
VAT	5 408	91 808
	<b>9 708</b>	<b>96 108</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	790	2 554
Bank balances	49 461	-
Short-term deposits	1 136	1 130
Bank overdraft	-	(121 085)
	<b>51 387</b>	<b>(117 401)</b>
Current assets	51 387	3 684
Current liabilities	-	(121 085)
	<b>51 387</b>	<b>(117 401)</b>
<b>6. Other financial liabilities</b>		
<b>At amortised cost</b>		
Donors loan account	970 000	1 070 000
The above loans are unsecured, interest free and have no fixed terms of repayment. These loans are not expected to be repaid within the next twelve months.		
<b>Non-current liabilities</b>		
At amortised cost	970 000	1 070 000
The fair values of the financial liabilities were determined as follows:		
<b>7. Trade and other payables</b>		
Trade payables	30 304	176 728
Other payables	150 000	304 084
	<b>180 304</b>	<b>480 812</b>
<b>8. Other income</b>		
Rental income	-	3 000
Donations received	3 428 477	2 701 559
Assessment and therapy	752 484	813 063
Bakkie campaign	1 200	-
Government grants	3 272 892	3 087 199
	<b>7 455 053</b>	<b>6 604 821</b>



**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Notes to the Annual Financial Statements**

Figures in Rand	12 months ended 31 March 2019	12 months ended 31 March 2018
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**9. Operating surplus (deficit)**

Operating surplus (deficit) for the year is stated after accounting for the following:

Employee costs	4 828 732	4 784 080
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**10. Investment revenue**

Interest revenue		
Other interest	6	9

**11. Finance costs**

Other interest paid	13 786	495
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**12. Taxation**

No provision has been made for taxation as the company has been approved as a public benefit organisation in terms of section 30 of the income tax act, therefore receipts and accruals are exempt from tax in terms of section 10 (1)(cN) of the act.

**13. Auditor's remuneration**

Fees	29 106	27 280
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**14. Cash generated from (used in) operations**

Profit (loss) before taxation	482 896	(507 371)
<b>Adjustments for:</b>		
Interest received	(6)	(9)
Finance costs	13 786	495
<b>Changes in working capital:</b>		
Trade and other receivables	86 400	(11 082)
Trade and other payables	(300 508)	133 501
	<b>282 568</b>	<b>(384 466)</b>

**15. Directors' remuneration**

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

**16. Related parties**

Relationships	
Members of key management	Refer to directors report

**17. Going concern**

We draw attention to the fact that at 31 March 2019, the company had accumulated losses of R 1 086 807 and that the company's total liabilities exceed its assets by R (1 086 807).

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.

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Detailed Income Statement**

Figures in Rand	Note(s)	12 months ended 31 March 2019	12 months ended 31 March 2018
<b>Other income</b>			
Rental income		-	3 000
Donation income		3 428 477	2 701 559
Assessment and therapy		752 484	813 063
Bakkie campaign		1 200	-
Interest received	10	6	9
Government grants		3 272 892	3 087 199
		<b>7 455 059</b>	<b>6 604 830</b>
<b>Operating expenses</b>			
Administration and management fees		67 038	96 332
Assessment rates & municipal charges		442 783	394 376
Auditors remuneration	13	29 106	27 280
Bank charges		9 375	6 851
Cleaning		55 744	62 366
Computer expenses		150 477	142 085
Employee costs		4 828 732	4 784 080
House-keeping and living expenses		686 910	855 101
IT expenses		21 371	19 278
Insurance		42 567	78 775
Loss of cash		5 000	-
Medical expenses		35 245	27 114
Motor vehicle expenses		271 764	235 299
Postage		-	992
Printing and stationery		34 751	20 224
Property expenses		59 116	86 601
Security		164 198	205 818
Telephone and fax		54 179	69 134
Transport and freight		21	-
		<b>6 958 377</b>	<b>7 111 706</b>
<b>Operating surplus (deficit)</b>	9	<b>496 682</b>	<b>(506 876)</b>
Finance costs	11	(13 786)	(495)
<b>Surplus (deficit) for the year</b>		<b>482 896</b>	<b>(507 371)</b>

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Supplementary Information**

**1. Major Sources**

Donor details	Amount
Department of Social Development	3 272 892
Collections	75 880
Bakkie campaign	1 200
	<b>3 349 972</b>

**2. Donations in kind**

Donor details	Amount
In kind donations	358 681
Therapy	752 314
	<b>1 110 995</b>

**3. Methodist Churches/WA**

Donor details	Amount
Alberton	31 780
Bedford Chapel	25 150
Benoni Central Methodist	21 096
Bryanston MCO	1 437
Central women	2 900
District Grant	166 812
Donation	1 749
Edenvale Methodist	14 047
Elsburg Methodist	4 950
Emseni Methodist	20 187
Germiston circuit	15 060
Hennops River	44 243
Highveld Methodist	41 855
Hillside Methodist	7 630
Kensington Methodist	6 000
Kiepersol	6 430
Lambton Methodist	1 300
Limpopo district s/be	13 947
Magalies Circuit	9 943
Majuba Circuit	3 150
Methodist Church	3 680
Middelburg Methodist	1 000
Parys	3 750
Phalaborwa	2 382
Pretoria North	3 690
SelMeth Methodist	9 300
Selcourt Methodist	12 000
Springs Methodist	3 535
Three Rivers Methodist	4 569
Trinity Methodist Church	17 105
Trinity United Church	2 223
Tzaneen Methodist	2 395
WA Diary MCSA	28 595
Willows Methodist	11 392
	<b>545 282</b>

**The Epworth Children's Homes (NPC)**  
Annual Financial Statements for the Year ended 31 March 2019

**Supplementary Information**

**4. Private**

<b>Donor details</b>	<b>Amount</b>
Donations less than R10000	506 633
G Lotter	15 747
Karen and Bruno	60 000
MJ Linington	12 000
MT Madziva	15 000
NM Vels	12 000
Rod Hill	92 000
	<b>713 380</b>

**5. Corporate Donors**

<b>Donors details</b>	<b>Amount</b>
Athletes for Christ	1 000
Bidvest	24 080
Consol Glass	40 000
Hiswa Benoni	1 200
Impact Recycling	126
Ironman	20 000
KFC Responsibility	199 000
Kelvion Thermal	10 000
My School	10 867
Print equip	4 900
Thursday Club	2 500
Triple M Andrew	116 000
Umafica Gaming	53 750
Wiltech Auto	5 500
	<b>488 923</b>

**6. Trust**

<b>Donors details</b>	<b>Amount</b>
AAC Trust	250 000
Bradfield Foundation	20 000
Elwyn Davies Trust	49 655
Hahn Trust	159 647
Mercy Trust	182 000
Norman Wevell Trust	85 000
RB Haggart Trust	500 000
	<b>1 246 302</b>



# THANK YOU FOR MAKING EVERYTHING BETTER

## TRUST AND FOUNDATIONS

Add Hope Foundation

Anglo American Chairmans Trust

Bradfield Foundation

Elwyn Davies Trust

Hahn Air Lines

Mercy Trust

Nashua Children's Charity Foundation

Norman Wevell Trust

R B Haggart Trust

## CORPORATES

### A

ABSA Bank

ADT CASH

Afrox

### C

City Lodge Airport Hotel

Consol Glass

### D

Demco

### E

EFC AFRICA

Electro Screen

Egg Films

### K

Kelvion Services

### H

Hutcheon Attorneys

### N

Nedbank Integrated Channels

NU-WORLD INDUSTRIES (PTY) LTD

### P

Printequip CC

### R

Restonic

### S

Stupel & Berman Inc

Sun International

### T

Triple M Andrew Pty Ltd

### U

umAfrica Gaming Technologies

# ESTATE LATE

**Coetzees** E/L SE FR

**E/Late** Beverly Gayle Lanyon

**E/Late** Daniel Levy

# CHURCH

## **A**

Alberton Methodist Church

## **B**

Benoni Central Methodist Church

Brackenhurst Methodist Church

## **E**

Edenvale Methodist Church

Elsburg Methodist Church

Emseni Methodist Church

## **G**

Germiston Central Methodist Church

Lambton Methodist Church

## **H**

Highveld & Swaziland District

Hiswa Benoni Circuit 1007

Highveld & Swaziland Methodist Church

Hillside Methodist Church

## **K**

Kensington Gardens Methodist Church

Kiepersol Methodist Church

## **L**

Limpopo District

## **M**

Magalies Circuit P.T.A Methodist Church

Majuba Circuit Methodist Church

Middelburg Methodist Church

## **P**

Parys Methodist Church

Pretoria North Methodist Church

Phalaborwa Methodist Church

## **S**

Selcourt Methodist Church

Springs Circuit

## **T**

Tzaneen Methodist Church

Trinity United Church

Trinity Comm Church

Three Rivers Methodist Church

## **W**

Willows Methodist Church

## MISSION UNIT, WA & FELLOWSHIP

Alberton Methodist WA

Alberton Mission Methodist Church

Brackenhurst WA

Central Methodist WA

Methodist Church of SA W A Diary

Selcourt Methodist Ladies Fellowship

# INDIVIDUAL

## A

Athletes for Christ  
Samuel Ani

## B

Amber Milosavljevic Biscotti  
Ann Borchers  
Bedford Chapel  
Broodryk family  
C P J Bester

## B

H Beaton  
L E Bellingham  
M P Buitendag  
Mr M D Bentley  
Mrs J C Batleet  
R C Birk

## C

Clayton Niebuhr  
Clive  
H Cockcroft  
Mr William Cook  
Rudi Clayton  
Tanya Counopas

## D

Giulin Dogulin  
John W de Klerk  
S Dim

## E

M J Evans  
Mr John Eze

## F

Mr Russel Farrer

## G

G K Gailey & Glynn Kevi  
Mr Jeremy Garden  
Mr Onyeoma Emeka Godwin

## L

G Lotter  
Mrs A T Lambert  
Mrs S A Leibrandt  
Prof. M J Linington

## M

M May  
Mr. Michael Madziva  
Ms Barbis Makahwi  
Ms Yvonne Mashinini  
Sindi Maluleka  
Wendy Moodie

## N

Kuben Naicker  
Naidoo  
D Neath

## O

Mr Emmanuel N Okeke  
Bev Orlik

## P

Amisha Parb  
Jan and Belinda Potgieter  
Rolene Pillay

## R

Mr Quinton Ramsay  
C D Roux

## S

A Stork  
D S Smuts  
Mr Bradley Scott  
Mr Conrad Stanley  
SAAM  
Sindi Maluleka

## T

Enos Theledi  
Thursday Club

**H**

Di Holman  
Estelle Hale  
G Harris  
Michael Hoff  
Mr Rod Hill

**I**

Ironman for the kids

**J**

G Joubert  
Rowena Joseph

**K**

G I Kimber  
Naicker Kuben

**V**

Dawn Vollmer  
N M Vels  
Vaalmall Stork

**W**

Wiltech Auto Electrical  
Mr F W Mudzima  
Wasilah

**Z**

Zizi Photos

To our special angels who give of their time for those that work behind the scenes , for the gifts of a meal , much needed food items replacing or repairing something , household goodies , we are thankful for your support and continued belief in our work we do.

**THANK YOU FOR MAKING  
EVERYTHING BETTER**