THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)
(COMPANY REGISTRATION NO. 1939/012624/08)
(NONPROFIT ORGANISATION NO. 001-034 NPO)

ANNUAL FINANCIAL STATEMENTS

31 MARCH 2017

AXIOM

REGISTERED ACCOUNTANTS & AUDITORS

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

BOARD OF DIRECTORS	Mr. C. Fletcher Mr. A.V. Mdluli (Chairperson) Mr. O. Barbeau (Treasurer) Mr. O. Lockwood The Hon. Ms. Justice L. Mailula (resigned 18 July 2016). Ms. S.A. Niven Mr. T. Mokoena Mr. B. Westcott (Vice Chairperson) Ms. N. Parbhoo Mr. A. McCall Mrs. A. Brokensha (appointed 26 May 2016)
NATURE OF BUSINESS	Caring for children
AUDITORS	Axiom Registered Accountants & Auditors
LEVEL OF ASSURANCE	Voluntarily Audited
PREPARER OF FINANCIAL STATEMENTS	Mr Dean Pretorius CA(SA)
BANKERS	First National Bank
COMPANY REGISTRATION NUMBER	1939/012624/08
NONPROFIT ORGANISATION NUMBER	001-034 NPO

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THE JOHANNESBURG CHILDREN'S HOME NPC
APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS' RESPONSIBILITY

The directors are required in terms of the Companies Act of South Africa, 2008 to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report.
It is their responsibility to ensure that the 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 that ended, in conformity with International Financial Reporting Standards.
The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards 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 places considerable importance on maintaining a strong control environment.
To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner.
The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.
These controls are monitored throughout the 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 financial statements.
However, any system of internal 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 period to 31 March 2018 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 independent external auditors have audited the annual financial statements and their modified report appears on page 4 and 5.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements are set out on pages 3 to 21, which have been prepared on the going concern basis, were approved by the directors on [illegible] and were signed on their behalf by:

MR. A.V. MDLULI   MR. B. WESTCOTT

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017

1. OPERATIONS

The Home has been incorporated as a non-profit company under the Companies Act 2008, for the purpose of caring for children.

2. FINANCIAL RESULTS

The results for the year are set out in these financial statements.

3. BOARD OF DIRECTORS

The names of the Board of Directors are given on page 1.

4. EXECUTIVE DIRECTOR & PRESCRIBED OFFICER

Mrs. A. Brokensha

5. SUBSEQUENT EVENTS

No material facts or circumstances occurred between the accounting date and date of this report.

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REGISTERED ACCOUNTANTS
& AUDITORS

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Vereeniging 1930

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE JOHANNESBURG CHILDREN'S HOME NPC

Qualified Opinion

We have audited the financial statements of The Johannesburg Children's Home NPC set out on pages 1 to 20, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of The Johannesburg Children's Home NPC as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

The Johannesburg Children's Home NPC, in common with other charitable organizations, receives certain Income from public donations and functions, the recognition of which, due to its nature, is not susceptible to verification by generally accepted auditing procedures. Therefore, our examination relating to such income was limited to the amount thereof recorded in the financial records.

Included in Donations in kind income is an amount of R436 106. The company did not have adequate internal controls to maintain records of donations in kind for goods received. We were unable to obtain sufficient appropriate audit evidence to substantiate the donations in kind disclosed in the statement of profit or loss and other comprehensive income. As a consequence, we were unable to determine whether any adjustments were required to the financial statements arising from donations in kind income and Children's subsistence received in kind expense.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 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 of South Africa and the supplementary information set out on page 2 and page 21. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Registered Auditors
Donice N Carr CA (SA) (RA 644110)
Mahlie Schoultz CA (SA) (RA 760633)
Dean M Pretorius CA (SA) (RA 388497)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

Axiom Registered Accountants and Auditors - Pretorius

DEAN MICHAEL PRETORIUS (388497)
PARTNER - AXIOM REGISTERED ACCOUNTANTS & AUDITORS
REGISTERED AUDITOR
25 MAY 2017
Office No 7 Magic Garden Centre
Corner of Zea- and Johannesburg Road
Arcon Park
Vereeniging
1930

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 R	2016 R
INCOME			
Fund raising	12	3 853 629	4 058 432
National Lotteries Commission		2 970 000	-
Department of Social Development		2 123 336	1 886 388
Income from investments	5	2 584 244	1 070 862
Public donations		-	2 390
Donations in kind		477 619	-
Rental income		5 553	-
Other income		60 095	136 326
Insurance claim		27 630	13 976
Profit on disposal of assets		-	587 337
TOTAL INCOME		12 102 106	7 755 711
EXPENDITURE		9 925 731	9 672 241
Children's subsistence		7 408 206	7 642 127
Children's subsistence received in kind		436 106	-
Fund raising & promotions		1 084 566	1 033 777
Administration and operational costs		996 853	996 337
FINANCE COST		-	-
NET (DEFICIT) / SURPLUS FOR THE YEAR	6	2 176 375	(1 916 530)
OTHER COMPREHENSIVE INCOME			
Available-for-sale financial assets		(1 728 301)	(274 971)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		(1 728 301)	(274 971)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		448 074	(2 191 501)

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THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 R	2016 R
ASSETS			
Non - current assets		36 493 765	35 409 200
Property and equipment	7	12 631 684	12 720 916
Financial assets	8	23 862 081	22 688 284
Current assets		1 564 597	5 155 499
Trade and other receivables	10	1 405 931	1 341 632
Cash at bank and on hand		158 666	3 813 867
Total assets		38 058 362	40 564 699
EQUITY & LIABILITIES			
Capital and reserves		37 270 124	36 822 050
Accumulated surplus		29 877 759	27 701 384
Membership fees		2 975	2 975
Revaluation of investment	8	7 389 390	9 117 691
Current liabilities		788 238	3 742 649
Trade and other payables	11	372 238	372 649
Deferred income - National Lotteries Commission		-	2 970 000
Deferred income - The Javett Foundation		416 000	400 000
Total equity and liabilities		38 058 362	40 564 699

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Membership fees R	Accumulated surplus R	Revaluation of investment R	Total R
Balance at 31 March 2015		2 975	29 617 914	9 392 662	39 013 551
Net surplus for the year		-	(1 916 530)	(274 971)	(2 191 501)
Increase in membership		-	-	-	-
Balance at 31 March 2016		2 975	27 701 384	9 117 691	36 822 050
Net surplus for the year		-	2 176 375	(1 728 301)	448 074
Increase in membership		-	-	-	-
Balance at 31 March 2017		2 975	29 877 759	7 389 390	37 270 124

THE JOHANNESBURG CHILDREN'S HOME NPC
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R	2016 R
CASH FLOWS FROM OPERATING ACTIVITIES		(671 310)	968 708
Cash generated / (utilised) from operations	12.1	(301 554)	(3 472 154)
Increase in deferred income - National Lotteries Commission		(2 970 000)	2 970 000
Increase in deferred income - The Javett Foundation		16 000	400 000
Income from Investments		2 584 244	1 070 862
CASH FLOWS FROM INVESTING ACTIVITIES		(2 983 891)	2 534 221
Decrease / (Increase) in financial assets		(2 902 097)	1 866 468
Net purchase of assets		(81 794)	(31 267)
Proceeds on sale of assets		-	699 020
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Increase in membership fees		-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(3 655 201)	3 502 929
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3 813 867	310 938
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		158 666	3 813 867

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

The financial statements set out on pages 2 to 20 are prepared on the historical cost basis except for investment property as stated in policy 1.2 and as adjusted by the revaluation of investments as detailed in note 1.6, and incorporate the following principal accounting policies which are consistent with those applied in the previous year. The association's significant accounting policies conform with International Financial Reporting Standards.

The financial statements are prepared on the going concern basis.

1.1 Financial instruments

Initial recognition
The association classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the association's balance sheet when the association becomes party to the contractual provisions of the instrument.

Financial assets
The association classifies its financial assets into the following categories:

- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets; and
- financial assets at fair value through profit and loss.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date.

Financial assets are recognised on transaction date when the association becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights no longer exist.

Financial assets are stated initially on transaction date at fair value including transaction costs. Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

Financial Liabilities
Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost.
Debt is classified as short-term unless the entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

1.2 Investment properties

In the opinion of the directors, certain of the land and buildings constitute investment property and are stated at fair value. The property will be valued annually by the directors and every three years by an independent valuator at open market value.

All gains and losses arising from changes in the fair value are recognised in the income statement for the period in which they arise.

The difference between the net proceeds on disposal and the revalued amount of investment property is charged to the income statement. Any balance in the fair value reserve relating to disposed property, is transferred to retained earnings.

1.3 Property and equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value.
Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Equipment & computers	12,5% - 16,7%
Vehicles	10%
Furniture & fittings	5%

Owner-occupied land is not depreciated, whilst buildings are depreciated on a straight line basis estimated to write each asset down to it's residual value over the term of it's useful life.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

1.4 Accumulated funds

All income and expenditure of a revenue nature is accounted for in the income statement.

Certain income is received for specific purposes and where such income has not been fully utilised during the year, amounts representing the unutilised portions are transferred to the appropriate funds.

In subsequent years transfers are made from these funds to the income statement as the amounts are utilised. Amounts representing bequests and profits on sales of bequeathed investments are transferred to the bequests fund.

1.5 Provisions

Provisions are recognised where the company has a present legal or constructive obligation as a result of a a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

THE JOHANNESBURG CHILDREN'S HOME NPC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

1.6 **Investments**
Investments are kept at fair value. Any adjustments to the fair value of the investments are transferred to a non-distributable reserve. Investments are classified as available-for-sale assets.

1.7 **Bank balances**
Certain uncleared cheques are included in accounts payable.

1.8 **Comparatives**
Where necessary, comparative figures have been adjusted to take effect of changes in the presentation in the current year.

1.9 **Income**
Revenue from donations, sponsorships and subscriptions are recognized when cash is received.

The company receives various pro-bono services and donations in kind. Revenue has not been brought to account in the financial statements for services as management are unable to reasonably estimate the value of these donations and services. Revenue has been brought to account in the financial statements for contributed assets, for which the company has an effective need, as management are able to reasonably estimate the fair value of these goods.

Gifts donated for resale are included as income when they are sold.

2 KEY ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Depreciation is influenced by useful life and residual value estimations. Any change in management's estimates of residual values and useful lives would impact the depreciation charge.
- Estimates made in determining the probability of future taxable income, thereby justifying the recognition of deferred tax assets.

3 DEFINITIONS

3.1 **Cash and cash equivalents**
The cash and cash equivalents amounts disclosed in the cash flow statement comprises cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

3.2 **Financial instruments**

3.2.1 *Financial asset*
Cash or cash equivalents, a right to receive cash, an equity instrument or a right to exchange a financial instrument under favourable conditions.

3.2.2 *Financial liability*
A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.

3.2.3 *Available-for-sale financial asset*
A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, held-to-maturity investments or derivative instruments. An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.

3.2.4 *Children's subsistence and Children's subsistence received in kind*
Expenses attributable to the welfare of the children under the care of the company.

3.2.5 *Fund raising & promotions*
Expenses attributable to the raising of funds for the welfare of the children under the care of the company.

3.2.6 *Administration and operational costs*
Expenses not directly attributable to children's subsistence or fund raising & promotions.

	2017 R	2016 R
4 REVENUE		
Total revenue comprises:		
- Rentals charged	-	-
- Income from investments	2 584 244	1 070 862
- Fund raising	3 853 629	4 058 432
- National Lotteries Commission	2 970 000	-
- Department of Social Development	2 123 336	1 886 388
- Donations in kind	477 619	
- Public donations	-	2 390
- Other income	93 278	737 639
	12 102 106	7 755 711
5 INCOME FROM INVESTMENTS		
Dividends - listed shares	938 009	925 936
Interest	394 135	115 709
Profit on sale of shares	1 252 100	29 217
	2 584 244	1 070 862
6 NET (DEFICIT) / SURPLUS FOR THE YEAR		
Net (deficit) / surplus for the year include:		
Audit fees	37 152	35 120
- Current year	33 988	31 650
- Other services	3 165	3 470
CIPC annual duty	450	2 000
Executive Director's Remuneration - Salary	839 840	885 046
Depreciation	171 025	168 874
Staff Costs		
- Salaries and wages (including directors)	5 158 137	5 254 145
- Contributions to retirements funds	586 544	582 115
- Average number of employees employed during the year	48	51

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

7 PROPERTY, PLANT & EQUIPMENT

2017	Land & Buildings	Fencing	Motor Vehicles	Furniture, Computers & Equip	Total
	R	R	R	R	R
Beginning of year					
Assets at cost	11 949 852	233 375	1 239 805	823 524	14 246 556
Accumulated depreciation	-	-	(885 508)	(640 134)	(1 525 642)
Net book value	11 949 852	233 375	354 297	183 390	12 720 914
Current year movements					
Additions	55 513	-	-	26 279	81 792
Disposal	-	-	-	-	-
Depreciation - current charge	-	-	(123 980)	(47 044)	(171 025)
Acc depreciation on disposal	-	-	-	-	-
Balance at end of year	12 005 365	233 375	230 317	162 625	12 631 682
Made up as follows:					
Assets at cost	12 005 365	233 375	1 239 805	849 803	14 328 348
Accumulated depreciation	-	-	(1 009 488)	(687 178)	(1 696 666)
Net book value	12 005 365	233 375	230 317	162 625	12 631 682

Land, being lots RE/742, RE/741, 62, 35, RE/63, 34, 1/63, 33, and 32 Observatory Township, Johannesburg with Children's Home and ancillary buildings thereon, purchased in 1940 and 1985

Fair value of Land and Buildings is estimated by the directors at R19 226 000. (19 750 SQM)

2016	Land & Buildings	Fencing	Motor Vehicles	Furniture, Computers & Equip	Total
	R	R	R	R	R
Beginning of year					
Assets at cost	12 048 247	233 375	1 239 805	805 546	14 326 973
Accumulated depreciation	-	-	(761 527)	(595 241)	(1 356 768)
Net book value	12 048 247	233 375	478 278	210 305	12 970 205
Current year movements					
Additions	-	-	-	31 266	31 266
Disposal	(98 395)	-	-	(13 288)	(111 683)
Depreciation - current charge	-	-	(123 980)	(44 893)	(168 874)
Acc depreciation on disposal	-	-	-	-	-
Balance at end of year	11 949 852	233 375	354 297	183 390	12 720 914
Made up as follows:					
Assets at cost	11 949 852	233 375	1 239 805	823 524	14 246 556
Accumulated depreciation	-	-	(885 508)	(640 134)	(1 525 642)
Net book value	11 949 852	233 375	354 297	183 390	12 720 914

Land, being lots RE/742, RE/741, 62, 35, RE/63, 34, 1/63, 33, and 32 Observatory Township, Johannesburg with Children's Home and ancillary buildings thereon, purchased in 1940 and 1985.

Fair value of Land and Buildings is estimated by the directors at R19 226 000.

THE JOHANNESBURG CHILDREN'S HOME NPC
(Incorporated Association not for gain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

	2017 R	2016 R
8 FINANCIAL ASSETS		
Financial assets	23 862 081	22 688 284
Nedbank Private Wealth Managed Portfolio TR97238/97238/06		
Opening balance	22 628 150	23 777 722
Interest received	364 382	106 311
Dividends received	938 009	925 936
Trustees fees	(180 923)	(167 553)
Other	-	(18 512)
Capital (redeemed) / invested	2 500 000	600 000
Capital transfers between portfolio's	(2 250 000)	(2 350 000)
Profit on sale of shares	1 251 989	29 217
Adjust to fair value - prior year reversal	(9 117 935)	(9 392 907)
Adjust to fair value - current year	7 389 390	9 117 937
	23 523 062	22 628 151
Nedbank Private Wealth Managed Portfolio JHBCH001/JHBCH001/06		
Opening balance	60 133	1 052 001
Interest received	29 753	9 398
Dividends received	-	-
Trustees fees	(1 224)	(1 266)
Capital (redeemed) / invested	(2 000 000)	(3 350 000)
Capital transfers between portfolio's	2 250 000	2 350 000
Profit / (loss) on sale of investments	110	-
Adjust to fair value - prior year reversal	247	247
Adjust to fair value - current year	-	(247)
	339 019	60 133

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

9 TAXATION

Taxation has not been provided for as the Home is exempt under Section 10 (1) (cN) of the Income Tax Act.

10 TRADE & OTHER RECEIVABLES

	2017	2016
	R	R
SARS - Vat	145 845	57 250
Other debtors	20 686	-
Prepaid expenditure - Water and electricity	1 153 592	1 198 574
Deposits	85 808	85 808
	1 405 931	1 341 632
Maturity profile		
Within one year	196 531	87 250
Within one to two years	30 000	30 000
More than two years	1 179 400	1 224 382
	1 405 931	1 341 632

Fair value of trade and other receivables
The carrying value approximates the fair value because of the short period to maturity of these instruments.

Collateral
The company holds no collateral over trade and other receivables.

11 TRADE AND OTHER PAYABLES

	2017	2016
Deposits	10 402	10 402
Trade payables	-	-
Other payables	361 836	362 247
	372 238	372 649
Maturity profile		
Within one year	361 836	362 247
One to two years	10 402	10 402
	372 238	372 649

Fair value of trade & other payables
The carrying value approximates the fair value because of the short period to settlement of these obligations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

12 NOTES TO THE STATEMENT OF CASH FLOWS

12.1 Reconciliation of cash utilised in operations

	2017 R	2016 R
Operating (deficit) / surplus	2 176 375	(1 916 530)
Adjusted for:		
Depreciation	171 025	168 874
Profit on sale of assets	-	(587 337)
Income from investments	(2 584 244)	(1 070 862)
Operating deficit before working capital changes	(236 844)	(3 405 855)
Working capital changes:		
(Increase) / decrease in debtors	(64 299)	27 642
Increase / (decrease) in creditors	(411)	(93 941)
Cash utilised in operations	(301 554)	(3 472 154)

13 RETIREMENT BENEFIT INFORMATION.

The association continues to contribute to the Momentum Fundsatwork Umbrella provident fund. The association contributions to the provident fund on behalf of the members, at a fixed percentage of the employee's remuneration at any point in time.

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Introduction

The association is exposed to liquidity, credit and commodity price risk arising from its financial instruments. The Directors and Management have the overall responsibility for the establishment and oversight of the association's risk management framework. The Directors and Management established comprehensive risk management processes which would provide assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. The Directors and Management meet regularly to review and , if appropriate, approve the implementation of optimal strategies for the effective management of financial risks.

Risk profile

Risk management and measurement relating to each of these risks are discussed under the headings below.

14.1 Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its obligations as they become due. The association manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The association finances its operations through adequate banking facilities and reserve capital deposits held with reputable banking institutions. There are no severe restrictions on these banking facilities and capital deposits. The association has sufficient undrawn deposits which could be utilised to settle obligations.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2017 (Continued)

	Note	Total Cash Flows	Within one year	One to two years	More than two years
		R	R	R	R
2017					
Financial Assets					
Loans and Receivables		5 676 984	4 467 584	30 000	1 179 400
SARS - Vat	11	145 845	145 845	-	-
Other debtors	11	20 686	20 686	-	-
Prepaid expenditure	11	1 153 592	30 000	30 000	1 093 592
Deposits	11	85 808	-	-	85 808
Call Monies	9	4 112 387	4 112 387	-	-
Cash at Bank		158 666	158 666	-	-
Investments available-for-sale	9	19 749 693	19 749 693	-	-
Total		25 426 677	24 217 277	30 000	1 179 400
Financial Liabilities					
Non-derivative instruments		788 238	777 836	10 402	-
Deposits	12	10 402	-	10 402	-
Other payables	12	361 836	361 836	-	-
Deferred income National Lotteries Commission		-	-	-	-
Deferred income The Javett Foundation		416 000	416 000	-	-
Total		788 238	777 836	10 402	-

	Note	Total Cash Flows	Within one year	One to two years	More than two years
		R	R	R	R
2016					
Financial Assets					
Loans and Receivables		7 483 134	6 228 752	30 000	1 224 382
SARS - Vat	11	57 250	57 250	-	-
Prepaid expenditure	11	1 198 574	30 000	30 000	1 138 574
Deposits	11	85 808	-	-	85 808
Call Monies	9	2 327 635	2 327 635	-	-
Cash at Bank		3 813 867	3 813 867	-	-
Investments available-for-sale	9	20 360 649	20 360 649	-	-
Total		27 843 783	26 589 401	30 000	1 224 382
Financial Liabilities					
Non-derivative instruments		3 742 649	3 732 247	10 402	-
Deposits	12	10 402	-	10 402	-
Other payables	12	362 247	362 247	-	-
Deferred income National Lotteries Commission		2 970 000	2 970 000	-	-
Deferred income The Javett Foundation		400 000	400 000	-	-
Total		3 742 649	3 732 247	10 402	-

14.2 Credit Risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by monitoring procedures.

Trade and other receivables consist mainly of accrued income in the form of grants. The association does not have customers who might owe monies.

Credit Risk exposure in respect of trade receivables is further analysed in note 11

The carrying value of the investments available-for-sale, loans and receivables and derivative financial instrument financial assets represent the maximum credit risk exposure.

14.3 Investment Return Risk

Exposure to risk on financial assets, investments available-for-sale and liabilities is monitored on a continuous and proactive basis. A limited discretionary mandate has been given to the investment manager of the Nedbank Private Wealth Managed Portfolio whereby investment decisions will be confirmed by the association's Board.

At the reporting date, the interest rate profile of the company's interest bearing financial instruments were:

	2017 R	2016 R
At the reporting date, the association was exposed to market influences on listed equities valued at	19 749 693	20 360 649
Fixed Rate Instruments	8.60%	7.45%
At the reporting date, the association was exposed to interest rate influences on deposited funds of	4 112 387	2 327 635

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DETAILED EXPENSES SCHEDULE
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	2017	2016
	R	R
Childrens Subsistence		
Food	1 362 611	1 048 732
Personal care	551 387	536 371
Residential care	1 960 981	2 004 845
Education	288 137	339 562
Transport	611 735	600 462
Insurance	116 902	119 723
Holiday flat	-	17 761
Utilities	229 089	218 352
Repairs & maintenance	856 420	776 868
Security	323 838	311 065
Telecommunications	15 974	20 481
Development & recreation	153 459	118 493
Staff development	32 131	23 198
Therapeutic support	1 341 648	1 506 214
	7 844 312	7 642 127