

HEBRON CHRISTIAN ACADEMY

**Annual financial statements
for the year ended 31 December 2015**

HEBRON CHRISTIAN ACADEMY

Annual financial statements for the year ended 31 December 2015

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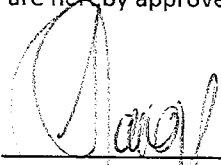
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Approval of Annual Financial Statements

The annual financial statements of the financial year ended 31 December 2015 as set out on pages 5 to 14 are hereby approved:



SENIOR ADMINISTRATOR

Date:

07/06/2016

HEBRON CHRISTIAN ACADEMY

Annual financial statements for the year ended 31 December 2015

General Information

Senior Administrator	Pastor S Farquhar
Principal	Pastor V Viljoen
Physical Address	21 Digtebij Crescent Mabille Park Kuils River 7480
Postal address	21 Digtebij Crescent Mabille Park Kuils River 7480
Bankers	First National Bank
Public Officer	Mr C Wright
Auditors	VSB Chartered Accountants



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CHARTERED ACCOUNTANTS

Report of the independent auditors

To the members of Hebron Christian Academy

We have audited the accompanying annual financial statements of Hebron Christian Academy, which comprise the balance sheet as at 31 December 2015, the income statement for the year ended then, a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 14.

Management Committee's Responsibility for the Financial Statements

The school's management committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with the entity specific basis of accounting and guidelines determined by the Member of the Executive Council (MEC) for Education in the Western Cape Province. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the school as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the entity specific basis of accounting and guidelines determined by the Member of the Executive Council (MEC) for Education in the Western Cape Province.

VSB CHARTERED ACCOUNTANTS INC.

Per: **BH VAN STAADEN**
Chartered Accountant (S.A.)
Registered Auditor

CAPE TOWN
06 June 2016



CA (SA)

Reg.No: 2006/005533/21

Director:
BH Van Staaden



The South African Institute of Chartered Accountants

HEBRON CHRISTIAN ACADEMY

Annual financial statements for the year ended 31 December 2015

Income Statement

	<u>Note</u>	2015 <u>Rand</u>	2014 <u>Rand</u>
INCOME		3 333 142	2 652 916
School fees		2 162 750	2 009 550
Registration fees		15 220	20 750
Subsidies received	2	765 446	506 763
Donations received		7 703	1 332
Building fund income	3	72 197	86 927
Aftercare		293 701	13 225
Employer tax incentive		0	3 000
Interest received		16 125	11 369
EXPENSES		2 683 972	2 242 521
Administrative expenses	4	145 316	112 251
Bad Debt Expense	5	46 241	56 638
Depreciation	6	69 467	74 990
Municipal services	7	59 730	65 145
Other expenses	8	79 772	105 945
Property Rental Expenses		150 000	146 000
Repairs and maintenance		54 573	21 991
Sport, arts and culture activities		11 418	2 009
Staff costs	9	1 983 042	1 610 460
Text books and learning support material	10	81 363	37 449
Tours, excursions and camps		0	817
Transport costs		3 050	8 826
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>649 170</u>	<u>410 395</u>

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Annual financial statements for the year ended 31 December 2015

Balance Sheet

	<u>Note</u>	2015 <u>Rand</u>	2014 <u>Rand</u>
ASSETS			
<u>Current assets</u>		1 885 113	1 233 697
Cash and bank	11	1 838 711	1 206 508
School Fees Receivable	12	39 902	27 189
Other receivables		6 500	0
<u>Non-current assets</u>		240 710	212 039
Property, plant and equipment	13	240 710	212 039
TOTAL ASSETS:		2 125 823	1 445 736
LIABILITIES			
<u>Current liabilities</u>		166 559	135 641
Creditors	14	166 559	135 641
<u>Non-current liabilities</u>		0	0
Sub-total:		166 559	135 641
EQUITY AND RESERVES			
Capital		2 195	2 195
Accumulated funds	15	820 519	564 128
Building fund reserve	16	1 136 550	743 772
Sub-total:		1 959 264	1 310 095
TOTAL EQUITY AND LIABILITIES:		2 125 823	1 445 736

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Annual financial statements for the year ended 31 December 2015

Accounting Policies

1. Basis of preparation of financial statements

The annual financial statements have been prepared in accordance with a entity specific basis of accounting as set out in the accounting policies below. These accounting policies are consistent with the previous period.

The financial statements are presented in the currency units (Rand) of South Africa.

1.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives of property, plant and equipment are as follows:

Computer equipment	: 3 - 5 years
Furniture and equipment	: 5 - 10 years
Leasehold improvements	: 10 years

1.2 School fees outstanding and receivables

School fees outstanding and other receivables are stated at cost less provision for doubtful debts.

1.3 Cash and cash equivalents

Cash and cash equivalents are measured at fair value at balance sheet date.

1.4 Revenue

School fees comprise the net amount invoiced to the parents of learners enrolled at the school and are recognised as income in the tuition period to which the fees relate.

1.5 Taxation

The school has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals of the school are exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

HEBRON CHRISTIAN ACADEMY

Annual financial statements for the year ended 31 December 2015

Accounting Policies

1.6 Employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The school does not contribute to any retirement benefit plans.

1.7 Text books

Text books are expensed in the year of acquisition.

HEBRON CHRISTIAN ACADEMY

Annual financial statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

	2015	2014
	<u>Rand</u>	<u>Rand</u>
2. SUBSIDIES RECEIVED		
Western Cape Department of Education	765 446	506 763
	<u>765 446</u>	<u>506 763</u>
3. BUILDING FUND INCOME		
Donations and fundraising income	35 546	67 059
Interest received	37 827	21 033
Less: Bank charges	(1 176)	(1 166)
	<u>72 197</u>	<u>86 927</u>
4. ADMINISTRATIVE EXPENSES		
Audit fees	17 900	10 000
Bank charges	14 869	12 235
Computer expenses	62 460	43 758
Courier & postage	350	310
Insurance	9 905	5 229
Telephone & fax	39 832	40 714
	<u>145 316</u>	<u>112 251</u>
5. BAD DEBT EXPENSE		
Irrecoverable debts written off	0	6 550
Provision for doubtful debts	46 140	47 052
Debt collection expenses	101	3 036
	<u>46 241</u>	<u>56 638</u>

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Annual financial statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

	2015	2014
	<u>Rand</u>	<u>Rand</u>
6. DEPRECIATION		
Buildings (temporary structures)		
Computer equipment	39 480	45 418
Furniture and equipment	10 689	12 783
Leasehold property improvements	19 298	16 789
	<u>69 467</u>	<u>74 990</u>
7. MUNICIPAL SERVICES		
Electricity	15 916	25 156
Property rates	43 814	39 989
	<u>59 730</u>	<u>65 145</u>
8. OTHER EXPENSES		
Cleaning	8 886	6 543
Consulting fees (Land Surveying)	20 587	27 850
Donations	3 785	3 325
Entertainment expenses	13 630	13 408
Legal fees	0	29 950
Medical expenses	2 431	1 384
Outreach ministries	2 512	3 649
Registrations payable (Umalusi)	7 724	14 400
Prize Giving	2 953	3 575
Uniforms	5 470	440
Tours and excursions	11 794	1 421
	<u>79 772</u>	<u>105 945</u>

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Notes to the Annual Financial Statements

	2015	2014
	<u>Rand</u>	<u>Rand</u>
9. STAFF COSTS		
Staff salaries	1 892 350	1 537 963
Temporary staff	14 008	18 812
Compensation Commissioner	10 406	0
Gifts/ Donations to staff	7 642	6 013
Skills Development Levies	19 109	15 724
Staff provisions (refreshments & teas)	13 333	14 305
Staff training	7 084	1 919
Unemployment Insurance Fund	19 110	15 724
	<u>1 983 042</u>	<u>1 610 460</u>
10. TEXT BOOKS AND LEARNING SUPPORT MATERIAL		
Text books and learning support material	39 867	2 639
Stationery	41 496	34 810
	<u>81 363</u>	<u>37 449</u>
11. CASH AND BANK		
FNB Current Account	702 161	462 736
FNB Building fund account	1 136 550	743 772
	<u>1 838 711</u>	<u>1 206 508</u>
12. SCHOOL FEES RECEIVABLE		
Gross school fees outstanding	252 631	193 778
Less: Provision for doubtful debts	(212 729)	(166 589)
	<u>39 902</u>	<u>27 189</u>

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Notes to the Annual Financial Statements

	2015	2014
	<u>Rand</u>	<u>Rand</u>
13. PROPERTY PLANT AND EQUIPMENT		
Computer equipment	54 401	42 112
Furniture and equipment	18 761	29 450
Leasehold property improvements	167 548	140 477
	<u>240 710</u>	<u>212 039</u>

For more information refer to Fixed asset register on pages 14

14. CREDITORS

Trade payables	35 439	31 154
School fees received in advance	131 120	104 487
	<u>166 559</u>	<u>135 641</u>

15. ACCUMULATED FUNDS

Balance at beginning of year	564 128	510 262
Add: Current year net surplus	649 170	410 395
	<u>1 213 298</u>	<u>920 656</u>
Less: Transfer to Building fund reserve	(392 779)	(356 528)
	<u>820 519</u>	<u>564 128</u>

16. BUILDING FUND RESERVE

Balance at beginning of year	743 771	387 243
Add: Transfer from Accumulated funds	392 779	356 528
	<u>1 136 550</u>	<u>743 771</u>

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Bank Reconciliation Statement

	2015 <u>Rand</u>	2014 <u>Rand</u>
<u>First National Bank: Current Account</u>		
Closing balance per cash book at 31 December	702 161	462 736
Less: Outstanding deposits not yet cleared	0	0
Add: Outstanding deposits not yet cleared	0	0
Closing balance per bank statement at 31 December	<u>702 161</u>	<u>462 736</u>

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Fixed Asset Register

	2015			2014
	Cost	Accum. Depreciation	Book value	Book value
Rand				
Computer equipment				
Incredible Connection - Laptop VV (3 June 2011)	7 000	7 000	-	-
Incredible Connection - 7 Laptops (9 June 2011)	29 000	29 000	-	-
Computer Mania - 5 computers (15 June 2011)	16 887	16 887	-	-
Chaos Computers - W Higgins (12 October 2011)	4 178	4 178	-	-
Incredible Connection - Laptop (25 January 2012)	5 000	5 000	-	-
Incredible Connection - Laptop (25 January 2012)	5 000	5 000	-	-
Chaos Computers - 2 Laptops (25 April 2012)	14 798	14 798	-	1 233
Chaos Computers - Laptop - G Frost (19 July 2012)	8 499	8 499	-	1 417
Nashua - Projector & Eboard (20 September 2012)	10 205	10 205	-	2 268
Sup.Vision - Data Projector (14 November 2012)	8 550	8 550	-	2 375
Nashua - 2 Mimic Teach (25/02/2013)	14 706	14 298	409	5 311
Nashua - 3 LG BS275 projectors (25/02/2013)	11 662	11 338	324	4 211
Incredible Connection - Laptop (28 Feb 2014)	7 800	4 983	2 817	5 417
Bridoon - Printer (17 Sep 2014)	4 200	1 867	2 333	3 733
Bridoon - Refurbished copier (23 Sep 2014)	17 098	6 649	10 449	16 148
Computer Mania - Laptop V Viljoen (28 Feb 2015)	12 999	3 972	9 027	-
Computer Mania - Laptop G Frost (6 Mar 2015)	12 999	3 611	9 388	-
Computer Mania - Laptop S Farquhar (30 Mar 2015)	12 999	3 611	9 388	-
Infinetex - Tablet V Viljoen (12 May 2015)	10 772	2 394	8 378	-
Incredible Connection - Cannon Camera (5 Nov 2015)	1 999	111	1 888	-
	216 351	161 950	54 401	42 112
Furniture and equipment				
Flip boards	3 213	3 214	-0	295
Security gate	3 150	3 150	0	236
White boards	1 639	1 639	-0	96
Clean Green Machine (Sept 2007)	4 497	4 497	-	-
4 x White boards on wheels Jan 2007	8 769	7 892	877	1 754
35 x Green Chairs for Foundation Phase Feb 2007	1 470	1 470	-	-
Air Conditioner For Computer Room June 2007	5 200	5 200	-	-
Air Conditioner (Grade 1 Class) All Temp Services August 2007	6 970	6 970	-	-
Loots Quality Safe March 2008	3 420	1 340	2 081	2 252
Telfa Furniture - 14 desks December 2008	2 697	1 911	786	1 056
Loots Quality Safes - June 2009 - fire proof safe for Umaluzi documents	4 047	661	3 386	3 480
Learner desks Telfa - December 2009 - 5 student desks + 3 nursery desks	2 457	143	2 314	2 334
Telfa Desks - 13 Jan 2010 - 10 desks	2 155	2 155	-0	36
Tidy Files - 27 Jan 2010	7 385	4 370	3 015	3 754
Loots Quality Safes - 1 Feb 2010	4 577	4 577	0	76
Telfa Engineering - 15 Feb 2010 - 10 nursery tables	4 429	3 230	1 199	1 753
Telfa Engineering - 14 learner desks - 23 Jul 2010	3 160	3 160	-0	369
Telfa Eng - 20 learner desks - 4 Nov 2010	4 309	4 309	0	790
MCG Industries - 100 chairs - 30 Nov 2010	9 690	9 690	-	1 777
Telfa Engineering - 4 & 11 May 2011	1 505	1 505	-0	301
Makro - 6 office chairs - 1 Nov 2011	1 134	1 134	-0	227
City Boards - Cupboards (30 October 2012)	4 066	4 066	0	1 626
W/Sale Cabinet Fittings (30 October 2012)	433	346	87	173
Mr Wilson Cupboards (27 November 2012)	3 250	2 600	650	1 300
LMP de Granjo (27 November 2013)	5 000	2 167	2 833	3 833
Game - KIC Freezer	1 998	466	1 532	1 931
	100 620	81 859	18 761	29 449
Leasehold property improvements				
Remote control system for main gate (april 2010)	13 170	7 353	5 817	7 134
Startfresh - Sinking Of Borehole (7 March 2012)	6 000	2 400	3 600	4 200
Building alterations (D Tango) (31 December 2013)	71 450	14 290	57 160	64 305
Professional fees for plans (18 January 2013)	30 267	9 080	21 187	24 214
Carport (July 2013)	33 500	8 375	25 125	28 475
Carport (Jan 2014)	13 500	2 700	10 800	12 150
M&L Steel Creations - Fence & Gate (8 May, 19 June)	37 690	2 198	35 492	
M&L Steel Creations - Pedestrian Gate (30 Jul 2015)	1 279	64	1 215	
Sign Ideas - (29 Sep 2015)	7 400	247	7 153	
	214 256	46 708	167 548	140 477
TOTAL	531 227	290 517	240 710	212 039