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Reg No: 002-277NPO
Vat No: 4010175745

THE ISSY GESHEN LAMONT HOME
Registration no: 002 - 277 NPO

ANNUAL FINANCIAL STATEMENTS
31 March 2019



THE ISSY GESHEN LAMONT HOME
(Registration No. 002 - 277 NPO)

ANNUAL FINANCIAL STATEMENTS
31 MARCH 2019

The following reports and statements are presented by the Trustees:

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Approval and statement of responsibility

The annual financial statements set out on pages 5 to 10 are the responsibility of the Trustees, have been approved by them and are signed on their behalf by:


GP LEVENE


GC WELSH

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Harold Levin & Associates Inc.

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COMPANY. REG. NO. 1999/0022180/21
IRBA MEMBERSHIP NO.: 963852
REGISTERED AUDITOR
CHARTERED ACCOUNTANT (SA)

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Independent Auditor's Report

To the trustees of The Issy Geshen Lamont Home

Qualified opinion

We have audited the financial statements of The Issy Geshen Lamont Home set out on pages 5-10, which comprise the balance sheet as at 31 March 2019, the detailed income statement, 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 Issy Geshen Lamont Home as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with basis of accounting described in Note 1 to the financial statements and the requirements of the Constitution and the Non-profit Organisations Act (No. 71 of 1997).

Basis for qualified opinion

In common with similar entities, it is not feasible for the entity to institute accounting controls over collections prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded. Income received has been accounted for on a cash basis.

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 financial statements section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Property Control Act 57 of 1988, which we obtained prior to the date of this report. 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 on the other information obtained prior to the date of this auditor's report, 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.



Independent Auditor's Report

Responsibilities of the trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with basis of accounting described in Note 1 and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees 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 trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

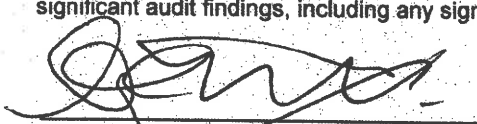
Auditor's responsibilities for the audit of the Financial Statements

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 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 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 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 trust 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 trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Harold Levin and Associates Inc.
Harold Levin
Director
Chartered Accountants (SA)
Registered Auditor

16 September 2019
Durban

THE ISSY GESHEN LAMONT HOME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Trustees have pleasure in submitting their report together with the annual financial statements for the year ended 31 March 2019.

Subsequent events

No material fact or circumstance has occurred between the accounting date and the date of this report.

Financial results

The financial results of the Trust for the period under review are fully reflected in the attached financial statements.

Approval of the financial statements

The Trustees are responsible for the maintenance of adequate accounting records, the selection of accounting policies and the preparation and integrity of the annual financial statements and other information set out in this report.

The financial statements were prepared in conformity with generally accepted accounting practice applied on a basis which is consistent with the previous year.

The financial statements set out on pages 5 to 10 have been approved by the Trustees and are signed accordingly on page 1.

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**BALANCE SHEET
AS AT 31 MARCH 2019**

	Notes	2019 R	2018 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,095,976	5,015,373
Current assets			
Trade receivables	3	112,017	36,359
Other receivables and prepayments	4	312,826	290,554
Bank and cash balances	5	64,393	35,709
Total assets		5,585,212	5,377,996
EQUITY AND LIABILITIES			
Equity			
Revaluation reserve		2,913,607	2,913,607
Accumulated Loss		2,176,758	(252,023)
Non-current liabilities			
Long-term borrowings	6	-	2,182,746
Current liabilities			
Trade and other payables	7	403,745	507,072
Bank overdrafts	8	91,103	26,594
Total equity and liabilities		5,585,212	5,377,996

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**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 R	2018 R
Revenue	6,418,457	5,772,962
Accommodation	1,779,434	1,661,714
Accommodation Concessions	(192,092)	(368,798)
Student Training Fees	950	401
Alfred James Elias Trust	439,600	-
NLDFT - Capex	145,669	-
NLDTF - Operational	183,700	-
Ubuntu Community Chest	133,480	115,908
Donations & Bequests (Other)	622,725	234,777
Donations & Bequests (Section 18A)	623,727	1,090,234
National Arts Council (Choir Festival)	-	5,425
Donations for Capital Projects	100,000	649,084
KZN SD Subsidy Income	2,568,171	2,361,684
Jumble Sale	-	18,846
Interest Received	3,236	2,822
Sundry Income	9,857	866
Operating expenses	6,130,877	5,932,705
Administration fees	182,567	158,470
Advertising and Marketing Expenses	107,434	73,102
Audit Fees	13,370	15,375
Bank Charges	17,225	18,216
Cleaning & Vermin Control	133,841	133,318
Computer Expenses	6,808	12,776
Depreciation	148,020	105,043
Equipment Hire	72,277	44,183
Food	466,868	474,036
Insurance	50,150	38,549
Medical Expenses	63,539	43,322
Medical Supplies	1,472	-
Motor Vehicle Expenses	89,909	70,022
Occupational Therapy	51,515	51,846
Printing & Stationery	10,080	13,786
Repairs & Maintenance	50,131	73,253
Residents Functions gifts and education	48,263	28,049
Salaries & Wages	3,833,044	3,816,025
Security	144,389	131,897
Staff Gifts / Xmas Party	2,000	8,000
Staff Training	3,400	15,915
Subscriptions	26,786	26,159
Sundry Expenses	1,898	7,775
Telephone & Fax	31,072	48,114
Uniforms	5,450	20,279
Utilities	383,794	333,958
Volunteers	185,575	171,238
Finance expenses	41,546	19,542
Interest Paid	41,546	19,542
Net profit / (loss) for the period	<u>246,035</u>	<u>(179,285)</u>
Prior Year Corrections	(2,182,746)	-
Corrections to prior year trust distributions	(2,182,746)	-
Retained profit / (loss) for the period	<u>2,428,780</u>	<u>(179,285)</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Revaluation reserve R	Accumulated Loss R	Total R
Balance at 28 February 2017	2,913,607	(72,738)	2,840,869
Net loss for the period		(179,285)	(179,285)
Balance at 29 February 2018	2,913,607	(252,023)	2,661,584
Net profit for the period		246,035	246,035
Prior Year Trust Distributions		2,182,746	2,182,746
Balance at 28 February 2019	2,913,607	2,176,758	5,090,365

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 R	2018 R
Net cash retained in operating activities		2,375,544	400,720
Cash generated from operating activities	9.1	2,417,090	420,262
Interest paid		(41,546)	(19,542)
Cash flows from investing activities		(228,623)	(640,502)
Purchase of property, plant and equipment		(228,623)	(640,502)
To increase operating capacity		(228,623)	(640,502)
Cash flows from financing activities		(2,182,746)	250,000
Payment of / Proceeds from long term borrowing		(2,182,746)	250,000
Net (decrease) / increase in cash & cash equivalents		(35,825)	10,218
Cash and cash equivalents at beginning of period		9,116	(1,102)
Cash and cash equivalents at end of period		(26,709)	9,116

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies

The following are the principal accounting policies of the trust, which are consistent in all material respects with those applied in the previous year, unless otherwise indicated.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Other than freehold land and buildings on which depreciation is not provided, depreciation is recorded by a charge to income computed on the straight line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

	Years
Land and buildings	N/A
Computer equipment	3
Motor vehicles	5
Furniture and fittings	6

Freehold land and buildings are not depreciated.

2. Property, plant and equipment	2019			2018		
	Cost / valuation R	Accum. deprec R	Carrying value R	Cost / valuation R	Accum. deprec R	Carrying value R
<i>Owned assets</i>						
Land and buildings	4,678,028	-	4,678,028	4,678,028	-	4,678,028
Computer equipment	47,177	47,177	-	47,177	44,887	2,290
Motor vehicles	321,115	292,155	28,960	321,115	263,195	57,920
Furniture and fittings	2,217,310	1,828,322	388,988	1,988,687	1,711,551	277,135
	<u>7,263,630</u>	<u>2,167,654</u>	<u>5,095,976</u>	<u>7,035,007</u>	<u>2,019,634</u>	<u>5,015,373</u>

The carrying amounts can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Reval. /other R	Disposals R	Deprec. R	Carrying value at end of year R
<i>Owned assets</i>						
Land and buildings	4,678,028	-			-	4,678,028
Computer equipment	2,290	-			(2,290)	-
Motor vehicles	57,920	-		-	(28,960)	28,960
Furniture and fittings	277,135	228,623			(116,770)	388,988
	<u>5,015,373</u>	<u>228,623</u>	<u>-</u>	<u>-</u>	<u>(148,020)</u>	<u>5,095,976</u>

3. Trade receivables	2019 R	2018 R
Trade debtors	110,565	36,359
Trade creditors with debit balances	1,452	-
	<u>112,017</u>	<u>36,359</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 R	2018 R
4. Other receivables and prepayments		
These include:		
Loans to employees	3,427	6,310
Grants receivable	227,657	205,378
Value Added Taxation	19,911	17,035
Deposits	61,831	61,831
	<u>312,826</u>	<u>290,554</u>
5. Bank and cash balances		
Bank and cash balances at year end comprise:		
Petty cash	3,000	3,001
Current account	10,758	14,778
Funds on call	50,635	17,931
	<u>64,393</u>	<u>35,709</u>
6. Long-term borrowings		
Alfred James Elias Foundation	-	2,045,186
William Venton Foundation	-	137,559
	<u>-</u>	<u>2,182,746</u>
Interest free Loans, unsecured and no fixed terms of repayment.		
7. Trade and other payables		
Trade creditors	233,314	214,371
Salaries and wages control account	151,481	194,691
Trade debtors with credit balances	18,950	-
Pensions paid in advance	-	98,010
	<u>403,745</u>	<u>507,072</u>
8. Bank overdrafts		
Bank overdrafts at year end were:	<u>91,103</u>	<u>26,594</u>
Bank overdrafts are repayable on demand. Overdrafts of R150,000 (2018: R150,000) have been secured by a cession by The Alfred James Elias Foundation's Nedbank call account. The average effective rate of interest on bank overdrafts approximates 10.25% (2018: 10.25%) per annum.		
9. Notes to the cash flow statement		
9.1 Reconciliation of net profit before taxation to cashflows from operations		
Net (loss) before taxation	246,035	(179,285)
Adjustments for :		
Depreciation	148,020	105,043
Sundry income	2,182,746	-
Interest paid	41,546	19,542
Operating profit / (loss) before working capital changes	<u>2,618,346</u>	<u>(54,700)</u>
Working capital changes		
(Increase) / Decrease in trade receivables	(75,658)	43,983
(Increase) / Decrease in prepayments and other receivables	(22,272)	359,141
Increase / (Decrease) in trade and other payables	(103,327)	71,838
Cash generated from operations	<u>2,417,090</u>	<u>420,262</u>