

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

ANNUAL FINANCIAL STATEMENTS
31 March 2016

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

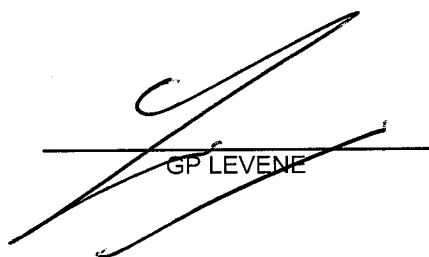
**ANNUAL FINANCIAL STATEMENTS
31 MARCH 2016**

The following reports and statements are presented by the Trustees:

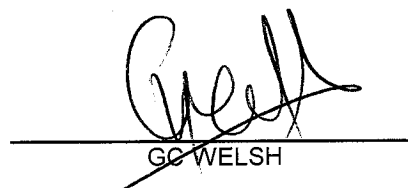
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Approval and statement of responsibility

The annual financial statements set out on pages 1 to 8 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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Musgrave Road
4062

Harold Levin & Associates Inc.

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

1st Floor
Clifton Place
19 Hurst Grove
Musgrave
Durban, 4001

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Independent Auditor's Report

To the trustees of The Issy Geshen Lamont Home

We have audited the financial statements of The Issy Geshen Lamont Home, as set out on pages 5 to 8, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Executive Committees' Responsibility for the Financial Statements

The entity's Executive Committee are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Constitution and the Non-profit Organisations Act (No. 71 of 1997) and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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.

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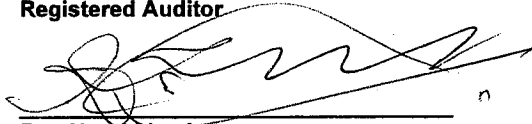
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Independent Auditor's Report

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Issy Geshen Lamont Home as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with the requirements of the Constitution, and the requirements of the Non-profit Organisations Act (No.71 of 1997).

Harold Levin & Associates Inc.
Director
Registered Auditor



Per: Harold Levin
Chartered Accountant (S.A.)

27 September 2016
Durban
Office 102a
19 Hurst Grove
Musgrave
4001

THE ISSY GESHEN LAMONT HOME

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees have pleasure in submitting their report together with the annual financial statements for the year ended 31 March 2016.

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 1 to 8 have been approved by the Trustees and are signed accordingly on page 1.

THE ISSY GESHEN LAMONT HOME

BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 R	2015 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	4,485,075	4,444,347
Current assets			
Inventories	3	-	7,706
Trade receivables	4	18,198	5,816
Other receivables and prepayments	5	301,200	479,531
Bank and cash balances	6	119,058	38,043
Total assets		<u>4,923,531</u>	<u>4,975,442</u>
EQUITY AND LIABILITIES			
Equity			
Revaluation reserve		2,913,607	2,913,607
Undistributed profits		32,210	1,162,253
Non-current liabilities			
Long-term borrowings	7	1,712,821	465,696
Current liabilities			
Trade and other payables		264,893	433,886
Bank overdrafts	8	-	59,428
Total equity and liabilities		<u>4,923,531</u>	<u>4,975,442</u>

THE ISSY GESHEN LAMONT HOME

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 R	2015 R
Revenue	4,510,179	5,446,185
Accommodation	1,009,262	814,548
Accom (Family Contribution/Concession)	67,023	-
Student Training Fees	9,527	4,620
Life Insurance Contributions	(61,430)	-
Alfred James Elias Trust	-	732,410
Uabantu Community Chest	106,140	101,760
Donations & Bequests (Other)	460,920	-
Donations & Bequests (Section 18A)	212,200	895,461
Comrades for a Cause	-	73,590
Fun Run	-	17,000
Donations for Capital Projects	241,907	321,848
KZN SD Subsidy Income	2,415,913	2,421,216
Tuckshop Sales	20,973	62,417
Interest Received	1,204	1,314
Pft/Loss on Sale of Non Current Assets	26,540	-
Operating expenses	5,640,222	5,456,575
Administration fees	176,583	140,901
Advertising and Marketing Expenses	75,129	184,150
Audit Fees	16,250	11,000
Bank Charges	19,062	17,170
Cleaning & Vermin Control	215,547	184,896
Computer Expenses	12,342	6,340
Depreciation	224,801	198,601
Donations	-	660
Equipment Hire	4,469	4,685
Food	500,661	515,560
Gardening	-	290
HR Fees	1,913	-
Insurance	37,444	37,890
Interest Paid	24,601	4,049
Medical Expenses	58,701	78,528
Motor Vehicle Expenses	93,901	75,489
Occupational Therapy	43,475	47,186
Printing & Stationery	35,175	22,286
Repairs & Maintenance	49,138	79,179
Residents Functions gifts and education	28,362	10,453
Salaries & Wages	3,412,829	3,238,365
Security	42,020	-
Staff Gifts / Xmas Party	-	6,100
Staff Training	4,668	5,573
Subscriptions	17,135	17,498
Sundry Expenses	7,829	4,370
Telephone & Fax	63,323	38,695
Tuckshop Purchases	18,984	66,888
Utilities	344,870	338,413
Volunteers	111,012	121,361
Net (loss) for the period	(1,130,043)	(10,391)

THE ISSY GESHEN LAMONT HOME

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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	2016			2015		
	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	4,048,127	-	4,048,127	3,970,229	-	3,970,229
Computer equipment	40,309	37,600	2,709	40,309	32,958	7,351
Motor vehicles	321,115	205,276	115,839	282,516	282,516	-
Furniture and fittings	1,747,596	1,429,196	318,399	1,704,763	1,237,997	466,767
	<u>6,157,147</u>	<u>1,672,072</u>	<u>4,485,075</u>	<u>5,997,818</u>	<u>1,553,471</u>	<u>4,444,347</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	3,970,229	77,897			-	4,048,127
Computer equipment	7,351	-			(4,642)	2,709
Motor vehicles	-	144,799		-	(28,959)	115,840
Furniture and fittings	466,767	42,833			(191,200)	318,399
	<u>4,444,347</u>	<u>265,529</u>	<u>-</u>	<u>-</u>	<u>(224,801)</u>	<u>4,485,075</u>

	2016 R	2015 R
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3. Inventories

The amounts attributable to different categories are as follows:

Consumable stores	-	7,706
	<u>-</u>	<u>7,706</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 R	2015 R
4. Trade receivables		
Trade debtors	18,198	5,816
	<u>18,198</u>	<u>5,816</u>
5. Other receivables and prepayments		
These include:		
Loans to employees	1,545	3,534
Grants receivable	199,124	398,248
Value Added Taxation	49,473	26,690
Deposits	51,058	51,058
	<u>301,200</u>	<u>479,531</u>
6. Bank and cash balances		
Bank and cash balances at year end comprise:		
Petty cash	3,000	3,100
Current account	83,337	7,326
Funds on call	32,722	27,617
	<u>119,058</u>	<u>38,043</u>
7. Long-term borrowings		
Alfred James Elias Foundation	1,248,861	325,511
William Venton Foundation	138,959	140,184
Victor Daitz Foundation	325,000	-
	<u>1,712,821</u>	<u>465,696</u>
Interest free Loans, unsecured and no fixed terms of repayment.		
8. Bank overdrafts		
Bank overdrafts at year end were:	<u>-</u>	<u>59,428</u>
Bank overdrafts are repayable on demand. Overdrafts of R150,000 (2015: 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 11% (2015: 11%) per annum.		