

**Acres of Love Non Profit Company
Registration number 1999/013827/08
Annual Financial Statements
for the year ended 28 February 2019**

Acres of Love Non Profit Company

Registration number: 1999/013827/08

Annual Financial Statements for the year ended 28 February 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of comprehensive care for abandoned, special needs and HIV positive babies and children
Directors	ARN Brown AM Selemela GAM Audagnotti R Audagnotti
Registered office	33 Chesham Road Bryanston 2021
Postal address	PO Box 49 Douglasdale 2165
Auditors	Nolands Jhb Inc. Chartered Accountants (SA) Registered Auditor Practice number: 905119
NPO Number	023142
Company registration number	1999/013827/08
Tax reference number	9398288176
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71, of 2008.
Preparer	The annual financial statements were independently compiled by: RL Smith CA(SA), RA
Issued	16 August 2019

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Directors' Responsibilities and Approval

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 auditor is 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.

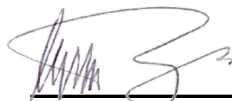
The directors have reviewed the company's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 auditor and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 27, which have been prepared on the going concern basis, were approved by the directors on 16 August 2019 and were signed on its behalf by:



Director



Director

Johannesburg

16 August 2019

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Acres of Love Non Profit Company for the year ended 28 February 2019.

1. Nature of business

Acres of Love Non Profit Company was incorporated in South Africa.

The company is engaged in the provision of comprehensive care for abandoned, special needs and HIV positive babies and children. The organisation has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act with NPO no. 023142 and is registered with the Department of Social Development in Gauteng and the Western Cape.

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	Changes
ARN Brown AM Selemela	Appointed 01 January 2019
GAM Audagnotti L Carson	Resigned 01 January 2019
R Audagnotti	

L Carson resigned as a director effective 01 January 2019. AM Selemela was appointed on 01 January 2019 to succeed L Carson. The directors expressed their sincere appreciation to the outgoing directors for their contributions during their respective periods of office.

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. Investment property

There was no change in the nature of the investment property of the company or in the policy regarding their use.

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.

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Directors' 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.

8. Auditors

Nolands Jhb Inc. continued in office as auditors for the company for 2019.

At the AGM, the directors will be requested to reappoint Nolands Jhb Inc. as the independent external auditors of the company and to confirm Ryan Lee Smith CA(SA), RA as the designated lead audit partner for the 2020 financial year.

9. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on 16 August 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.

Independent Auditor's Report

To the members of Acres of Love Non-Profit Company

Qualified opinion

We have audited the annual financial statements of Acres of Love Non Profit Company set out on pages 8 to 26, which comprise the statement of financial position as at 28 February 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, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Acres of Love Non Profit Company as at 28 February 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 qualified opinion

In common with similar organisations, it is not feasible for the company to exercise accounting controls over donation income prior to their initial entry into the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded. Additionally, we were unable to obtain sufficient appropriate audit evidence relating to the occurrence of donation income. The completeness and occurrence of donation income could therefore not be verified.

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 the 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.

Independent Auditor's Report

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.



Nolands Jhb Inc.
Practice number: 905119
Ryan Lee Smith CA(SA), RA
Director
Registered Auditor

16 August 2019
Johannesburg

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Statement of Financial Position as at 28 February 2019

	Notes	2019 R	2018 R
Assets			
Non-Current Assets			
Investment property at cost	2	83 365 557	66 528 775
Loans to group companies	3	8 735 344	1 892 653
		<u>92 100 901</u>	<u>68 421 428</u>
Current Assets			
Trade and other receivables	4	207 449	715 329
Cash and cash equivalents	5	9 373	18 232
		<u>216 822</u>	<u>733 561</u>
Total Assets		<u>92 317 723</u>	<u>69 154 989</u>
Equity and Liabilities			
Equity			
Retained income		<u>91 950 413</u>	<u>67 949 610</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	256 868	756 417
Bank overdraft	5	110 442	448 962
		<u>367 310</u>	<u>1 205 379</u>
Total Equity and Liabilities		<u>92 317 723</u>	<u>69 154 989</u>

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Statement of Comprehensive Income

	Note	2019 R	2018 R
Donation income	7	54 391 820	31 315 654
Other income	8	129 496	144 785
Operating expenses		<u>(30 477 946)</u>	<u>(26 170 846)</u>
Operating surplus	9	24 043 370	5 289 593
Finance income	10	75 495	2 382
Finance costs	11	<u>(118 062)</u>	<u>(86 709)</u>
Surplus for the year		<u>24 000 803</u>	<u>5 205 266</u>

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Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2017 as restated	62 744 344	62 744 344
Surplus for the year	5 205 266	5 205 266
Balance at 01 March 2018	67 949 610	67 949 610
Surplus for the year	24 000 803	24 000 803
Balance at 28 February 2019	91 950 413	91 950 413

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Statement of Cash Flows

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash generated from operations	13	24 712 278	5 518 339
Finance income		75 495	2 382
Finance costs		(118 062)	(86 709)
Net cash from operating activities		24 669 711	5 434 012
Cash flows used in investing activities			
Purchase of property, plant and equipment	2	(17 497 358)	(6 442 892)
Sale of property, plant and equipment	2	-	80 000
Movement in group company loans		(6 842 691)	(3 694)
Net cash used in investing activities		(24 340 049)	(6 366 586)
Total cash and cash equivalents movement for the year		329 662	(932 574)
Cash and cash equivalents at the beginning of the year		(430 730)	501 844
Total cash and cash equivalents at end of the year	5	(101 068)	(430 730)

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Accounting Policies

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 incorporate the accounting principals and 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.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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Accounting Policies

1.2 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Item	Average useful life
Land and buildings	Indefinite
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Other property, plant and equipment	6 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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.

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Accounting Policies

1.3 Financial instruments (continued)

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

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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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Accounting Policies

1.6 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.

1.7 Donation income

Grant funding and donations are recognised at their fair value where there is reasonable assurance that the funding or donation will be received and that all attaching conditions will be complied with. When the donation relates to an expense item, it is recognised as income over the periods necessary to match the donation on a systematic basis to the expense that it is intended to compensate.

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Accounting Policies

1.8 Finance income and finance costs

Finance income comprises interest income on funds invested, that is recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings, that is recognised in profit or loss. All borrowing costs are recognised in profit or loss in the period they are incurred, using the effective interest rate method.

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	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	80 548 620	-	80 548 620	65 137 722	-	65 137 722
Furniture and fixtures	6 141 466	(3 554 733)	2 586 733	4 055 006	(3 117 535)	937 471
Motor vehicles	2 535 952	(2 334 637)	201 315	2 535 952	(2 125 297)	410 655
Office equipment	123 766	(98 259)	25 507	123 766	(90 565)	33 201
IT equipment	342 944	(340 363)	2 581	342 944	(337 474)	5 470
Other property, plant and equipment	337 535	(336 734)	801	337 535	(333 279)	4 256
Total	90 030 283	(6 664 726)	83 365 557	72 532 925	(6 004 150)	66 528 775

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	937 471	2 086 460	(437 198)	2 586 733
IT equipment	5 470	-	(2 889)	2 581
Land and buildings	65 137 722	15 410 898	-	80 548 620
Motor vehicles	410 655	-	(209 340)	201 315
Office equipment	33 201	-	(7 694)	25 507
Other property, plant and equipment	4 256	-	(3 455)	801
	66 528 775	17 497 358	(660 576)	83 365 557

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	1 157 855	69 252	-	(289 636)	937 471
IT equipment	11 645	-	-	(6 175)	5 470
Land and buildings	58 776 363	6 361 359	-	-	65 137 722
Motor vehicles	713 050	-	(69 490)	(232 905)	410 655
Office equipment	27 067	12 281	-	(6 147)	33 201
Other property, plant and equipment	9 390	-	-	(5 134)	4 256
	60 695 370	6 442 892	(69 490)	(539 997)	66 528 775

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Notes to the Annual Financial Statements

	2019 R	2018 R
2. Property, plant and equipment (continued)		
Details of properties		
Property 1		
Erf 4791 Bryanston, Johannesburg. Measuring in extent of 1 500 square metres and held under title deed number T155085/2002. The title deed to the property is held as security for the bank overdraft facility.		
- Purchase price: 30 May 2002	500 000	500 000
- Additions since purchase or valuation	14 446	14 446
- Capitalised expenditure	49 092	49 092
	563 538	563 538
Property 2		
Erf 286 Olivedale, Johannesburg. Measuring in extent of 1 567 square metres and held under title deed number T80764/2003.		
- Purchase price: 27 March 2003	600 000	600 000
- Capitalised expenditure	15 876	15 876
	615 876	615 876
Property 3		
Erf 529 Jukskei Park, Johannesburg. Measuring in extent of 2 347 square metres and held under title deed number T175051/2004.		
- Purchase price: 05 June 2004	690 000	690 000
- Additions since purchase or valuation	38 847	38 847
- Capitalised expenditure	30 123	30 123
	758 970	758 970
Property 4		
Erf 1692 Blairgowrie, Johannesburg. Measuring in extent of 1 043 square metres and held under title deed number T37634/2005.		
- Purchase price: 26 November 2004	740 000	740 000
- Additions since purchase or valuation	41 139	41 139
- Capitalised expenditure	27 753	27 753
	808 892	808 892
Property 5		
Erf 2825 Blairgowrie, Johannesburg. Measuring in extent of 798 square metres and held under title deed number T68242/2005.		
- Purchase price: 09 February 2005	800 000	800 000
- Additions since purchase or valuation	84 600	84 600
- Capitalised expenditure	11 777	11 777
	896 377	896 377

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	2019 R	2018 R
2. Property, plant and equipment (continued)		
Property 6		
Erf 1252 Blairgowrie, Johannesburg. Measuring in extent of 959 square metres and held under title deed number T17042/2006.		
- Purchase price: 31 October 2005	1 000 000	1 000 000
- Capitalised expenditure	79 308	79 308
	<u>1 079 308</u>	<u>1 079 308</u>
Property 7		
Erf 3109 Northmead, Benoni. Measuring in extent of 952 square metres and held under title deed number T23351/2006.		
- Purchase price: 20 February 2006	860 000	860 000
- Additions since purchase or valuation	380 000	380 000
	<u>1 240 000</u>	<u>1 240 000</u>
Property 8		
Erf 3050 Northmead, Benoni. Measuring in extent of 1 385 square metres and held under title deed number T57433/2006.		
- Purchase price: 08 July 2006	880 000	880 000
- Capitalised expenditure	5 216	5 216
	<u>885 216</u>	<u>885 216</u>
Property 9		
Erf 3743 Farrarmere, Benoni. Measuring in extent of 1 190 square metres and under title deed number T19767/2007.		
- Purchase price: 20 April 2007	1 130 000	1 130 000
- Additions since purchase or valuation	11 955	11 955
- Capitalised expenditure	13 363	13 363
	<u>1 155 318</u>	<u>1 155 318</u>
Property 10		
Erf 465 Sharonlea, Johannesburg. Measuring in extent of 809 square metres and held under title deed number T29580/2007.		
- Purchase price: 11 June 2007	1 200 000	1 200 000
- Additions since purchase or valuation	41 362	41 362
- Capitalised expenditure	50 581	50 581
	<u>1 291 943</u>	<u>1 291 943</u>

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	2019 R	2018 R
2. Property, plant and equipment (continued)		
Property 11		
Erf 6407 Northmead, Johannesburg. Measuring in extent of 999 square metres and held under title deed number T29041/2008.		
- Purchase price: 19 June 2008	1 475 000	1 475 000
- Capitalised expenditure	49 265	49 265
	<u>1 524 265</u>	<u>1 524 265</u>
Property 12		
Erf 1244 Blairgowrie, Johannesburg. Measuring in extent of 969 square metres and held under title deed number T52850/2008.		
- Purchase price: 04 June 2008	1 260 000	1 260 000
- Additions since purchase or valuation	55 916	55 916
- Capitalised expenditure	12 247	12 247
	<u>1 328 163</u>	<u>1 328 163</u>
Property 13		
Erf 2692 Blairgowrie, Johannesburg. Measuring in extent of 1 108 square metres and held under title deed number T79403/2008.		
- Purchase price: 04 June 2008	1 275 000	1 275 000
- Capitalised expenditure	38 126	38 126
	<u>1 313 126</u>	<u>1 313 126</u>
Property 14		
Erf 57 Robin Acres, Johannesburg. Measuring in extent of 1 487 square metres and held under title deed number T35435/2009.		
- Purchase price: 30 June 2009	1 250 000	1 250 000
- Capitalised expenditure	52 763	52 763
	<u>1 302 763</u>	<u>1 302 763</u>
Property 15		
Erf 533 Bryanston, Johannesburg. Measuring in extent of 5 237 square metres and held under title deed number T37199/2009.		
- Purchase price: 08 July 2009	9 000 000	9 000 000
- Additions since purchase or valuation	221 827	-
- Capitalised expenditure	112 464	112 464
	<u>9 334 291</u>	<u>9 112 464</u>
Property 16		
Erf 219 Robindale, Johannesburg. Measuring in extent of 1 346 square metres and held under title deed number T82818/2009.		
- Purchase price: 18 December 2009	1 300 000	1 300 000
- Capitalised expenditure	18 228	18 228
	<u>1 318 228</u>	<u>1 318 228</u>

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Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
2. Property, plant and equipment (continued)		
Property 17		
Erf 436 Randpark Ext 5, Johannesburg. Measuring in extent of 371 square metres and held under title deed number T73473/2011.		
- Purchase price: 17 October 2011	940 000	940 000
- Capitalised expenditure	14 182	14 182
	<u>954 182</u>	<u>954 182</u>
Property 18		
Erf 1453 Somerset West, Cape Town. Measuring in extent of 1 500 square metres and held under title deed number T40247/2013.		
- Purchase price: 21 August 2013	3 100 000	3 100 000
- Capitalised expenditure	62 144	62 144
	<u>3 162 144</u>	<u>3 162 144</u>
Property 19		
Erf 5035 Somerset West, Cape Town. Measuring in extent of 1 063 square metres and held under title deed number T56576/2013.		
- Purchase price: 22 October 2013	1 700 000	1 700 000
- Capitalised expenditure	107 822	107 822
	<u>1 807 822</u>	<u>1 807 822</u>
Property 20		
Erf 2796 Strand, Cape Town. Measuring in extent of 496 square metres and held under title deed number T32670/2014.		
- Purchase price: 27 June 2014	1 295 000	1 295 000
- Capitalised expenditure	17 797	17 797
	<u>1 312 797</u>	<u>1 312 797</u>
Property 21		
Erf 10387 Strand, Cape Town. Measuring in extent of 700 square metres and held under title deed number T32670/2015.		
- Purchase price: 09 June 2015	1 900 000	1 900 000
- Capitalised expenditure	22 365	22 365
	<u>1 922 365</u>	<u>1 922 365</u>
Property 22		
Erf 71 Constantia, Cape Town. Measuring in extent of 8111 square metres and held under title deed number T1303/2016.		
- Purchase price: 20 January 2016	24 000 000	24 000 000
- Capitalised expenditure	536 203	536 203
	<u>24 536 203</u>	<u>24 536 203</u>

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Notes to the Annual Financial Statements

	2019 R	2018 R
2. Property, plant and equipment (continued)		
Property 23		
Erf 6682 Somerset West, Cape Town. Measuring in extent of 917 square metres and held under title deed number T47140/2017.		
- Purchase price: 20 May 2017	2 800 000	2 800 000
- Capitalised expenditure	22 682	22 682
	<u>2 822 682</u>	<u>2 822 682</u>
Property 24		
Erf 10027 Somerset West, Cape Town. Measuring in extent of 795 square metres and held under title deed number T6173/2018.		
- Purchase price: 28 November 2017	3 400 000	3 400 000
- Additions since purchase or valuation	23 383	-
- Capitalised expenditure	25 079	25 079
	<u>3 448 462</u>	<u>3 425 079</u>
Property 25		
Erf 8 - 27 Bulties Way Somerset West, Cape Town. Measuring in extent of 9 376 square metres and held under title deed number T2773/2018.		
- Purchase price: 14 June 2018	15 000 000	-
- Capitalised expenditure	165 688	-
	<u>15 165 688</u>	<u>-</u>
Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.		
3. Loans to related parties		
Related parties		
Acres of Love and Living Faith Ministries NPC	15 317	8 918
Acres of Love Siyabonga NPC	1 886 763	1 880 497
Forever Homes Cape Town NPC	6 833 264	3 238
	<u>8 735 344</u>	<u>1 892 653</u>

The above loans are unsecured, interest free and the borrower has the unconditional right to defer settlement of the loan for at least 12 months after the reporting period as the loans are linked to the disposal of the investment properties, which are non current in nature.

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Notes to the Annual Financial Statements

	2019 R	2018 R
4. Trade and other receivables		
Prepayments	-	443 649
Deposits	40 405	40 405
VAT	165 881	231 275
Prepayments	1 163	-
	<u>207 449</u>	<u>715 329</u>

As the terms and conditions relating to trade and other receivables fall within industry norms as well as normal business practice, discounting of the trade and other receivables is not material.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8 946	17 783
Short-term deposits	427	449
Bank overdraft	(110 442)	(448 962)
	<u>(101 069)</u>	<u>(430 730)</u>
Current assets	9 373	18 232
Current liabilities	(110 442)	(448 962)
	<u>(101 069)</u>	<u>(430 730)</u>
Standard bank overdraft facility	1 000 000	500 000

The following collateral has been pledged in favour of the above facilities:

- First continuing coverage mortgage bond for R500 000 over Erf 4791 Bryanston, Extention 45 Township.
- Second continuing coverage mortgage bond for R500 000 over Erf 4791 Bryanston, Extention 45 Township.

6. Trade and other payables

Trade payables	33 131	494 201
Other payables	83 971	162 461
Accrued expenses	139 766	99 755
	<u>256 868</u>	<u>756 417</u>

As the terms and conditions relating to trade and other payables fall within industry norms as well as normal business practice, discounting of the trade and other payables is not material.

Acres of Love Non Profit Company

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Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
7. Donation income		
Donation income	49 017 713	25 846 562
Gauteng DSD subsidy	5 047 690	5 433 330
SASSA funding - Western Cape	326 417	35 762
	<u>54 391 820</u>	<u>31 315 654</u>
8. Other income		
Profit on disposal of property, plant and equipment	-	10 510
Rental income	24 500	12 000
Insurance recoveries	104 996	122 275
	<u>129 496</u>	<u>144 785</u>
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Profit on disposal of property, plant and equipment	-	10 510
Depreciation on property, plant and equipment	660 577	539 997
Direct care team expense	10 770 558	9 157 994
Food, linen and clothing	3 418 567	-
Medical and Therapy	1 999 262	-
Repairs and Maintenance	2 120 261	-
School fees and school expenses	3 128 700	-
	<u>18 628 355</u>	<u>9 697 501</u>
10. Finance income		
Interest income		
Bank	75 495	2 382
	<u>75 495</u>	<u>2 382</u>
11. Finance costs		
Bank	118 062	86 709
	<u>118 062</u>	<u>86 709</u>
12. Taxation		

The company has been approved as a public benefit organisation (PBO) in terms of section 30 of the Income Tax Act, and is therefore exempt from income tax in terms of Section 10(1)(cN).

Acres of Love Non Profit Company

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Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
13. Cash generated from operations		
Profit / (loss) before taxation as restated	24 000 803	5 205 266
Adjustments for:		
Depreciation	660 577	539 997
Profit on disposal of property, plant and equipment	-	(10 510)
Finance income	(75 495)	(2 382)
Finance costs	118 062	86 709
Changes in working capital:		
Trade and other receivables	507 880	(224 893)
Trade and other payables	(499 549)	269 152
Deferred income	-	(345 000)
	<u>24 712 278</u>	<u>5 518 339</u>
14. Related parties		
Relationships		
Affiliated organisations		Acres of Love USA Acres of Love Siyabonga NPC Forever Homes Cape Town NPC Acres of Love & Living Faith Ministries NPC
Members of key management		GAM Audagnotti R Audagnottii ARN Brown A Selemela
Related party balances		
Loan accounts - Owing by related parties		
Acres of Love and Living Faith Ministries NPC	15 317	8 918
Acres of Love Siyabonga NPC	1 886 763	1 880 497
Forever Homes Cape Town NPC	6 833 264	3 238
Related party transactions		
Donations received from related parties		
Acres of Love USA	25 531 718	23 689 968

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Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
15. Directors' remuneration		
Executive		
2019		
GAM Audagnotti	Emoluments 201 785	Total 201 785
2018		
GAM Audagnotti	Emoluments 180 000	Total 180 000

16. Going concern

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.

17. Events after the reporting period

The annual financial statements were authorised for issue on 16 August 2019 by the board of directors of the company.

Acres of Love Non Profit Company

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Annual Financial Statements for the year ended 28 February 2019

Detailed Income Statement

	Note	2019 R	2018 R
Donation income			
Donation income		49 017 713	25 846 562
Gauteng government grant funding		5 047 690	5 433 330
SASSA funding - Western Cape		326 417	35 762
	7	<u>54 391 820</u>	<u>31 315 654</u>
Other income			
Rental income		24 500	12 000
Recoveries		104 996	122 275
Finance income	10	75 495	2 382
Profit on disposal of property, plant and equipment		-	10 510
		<u>204 991</u>	<u>147 167</u>
Expenses (Refer to page 28)		(30 477 946)	(26 170 846)
Operating profit	9	<u>24 118 865</u>	<u>5 291 975</u>
Finance costs	11	(118 062)	(86 709)
Profit for the year		<u>24 000 803</u>	<u>5 205 266</u>

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Annual Financial Statements for the year ended 28 February 2019

Detailed Income Statement

	Note	2019 R	2018 R
Operating expenses			
Accounting fees		(551 760)	(318 065)
Advertising		-	(5 155)
Auditors remuneration		(36 760)	(28 080)
Bank charges		(111 152)	(124 506)
Cleaning		(118 366)	(146 758)
Computer expenses		(72 723)	(57 071)
Crockery and cutlery		(103 947)	(60 116)
Depreciation		(660 577)	(539 997)
Direct care team costs		(10 770 558)	(9 157 994)
Donations		(800)	-
Food, linen and clothing		(3 631 545)	(3 211 358)
Donor Development		(236 640)	-
Gifts and toys		-	(57 741)
Insurance		(283 256)	(244 823)
Legal expenses		(41 031)	-
Medical and therapy expenses		(1 999 262)	(1 841 325)
Nappies		(6 760)	(27 757)
Printing, stationery and postage		(119 828)	(79 937)
Recreational expenses		(106 210)	(177 548)
Repairs and Maintenance		(2 120 261)	(1 914 074)
School fees and school expenses		(3 128 700)	(3 032 364)
Security		(151 297)	(148 247)
Small assets written off		(462 760)	(506 799)
Staff welfare		(34 772)	(11 229)
Subscriptions		-	(7 016)
Telephone and fax		(191 348)	(218 146)
Training		(115 515)	(94 223)
Transport		(2 681 463)	(2 256 731)
Utilities		(2 740 655)	(1 903 786)
		(30 477 946)	(26 170 846)