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CENTRE FOR CHRISTIAN SPIRITUALITY (NPO)
(Registration number 021-503-NPO)
(Registration number 930-000-753-NGO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Centre for Christian Spirituality (NPO)
(Registration number 021-503-NPO)
Annual Financial Statements for the year ended 30 June 2013

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The reports and statements set out below comprise the annual financial statements presented to the members:

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No.71 of 2008, as amened.

Preparer

The annual financial statements were prepared by E Arrison with assistance from LDP Compliance (Proprietary) Limited.

Independent Auditor's Report

To the members of Centre for Christian Spirituality (NPO)

We have audited the annual financial statements of the Centre of Christian Spirituality , which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the director's report, as set out on pages 5 to 14.

Board members Responsibility for the Financial Statements

The NPO's board responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act No.71 of 2008, as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 auditors 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 management, 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 qualified audit opinion.

Basis for Qualified Opinion

In common with similar type organizations, it is difficult for the company to institute accounting controls over the cash and collections from the general public and donations, prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded. The completeness, accurancy and cut-off of income could not be verified.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Centre for Christian Spirituality (NPO) as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act No.71 of 2008, as amended.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 30 June 2013, we have read the Board's report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

LDP Inc.
Registered Auditors
Per: HF Joubert
Director

Stellenbosch
Date:.........................

Board's Responsibilities and Approval

The board members is required by the Companies Act No.71 of 2008, as amended, to maintain adequate accounting records and is 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 NPO 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 Standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the board and places considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board 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 NPO and all employees are required to maintain the highest ethical standards in ensuring the NPO's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the NPO is on identifying, assessing, managing and monitoring all known forms of risk across the NPO. While operating risk cannot be fully eliminated, the NPO endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members is 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 board members have reviewed the NPO's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, they are satisfied that the NPO has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the NPO's annual financial statements. The annual financial statements have been examined by the NPO's external auditors and their report is presented on page s 2 to 3.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board on .... and were signed on its behalf by:

CA Anthonissen

Director's Report

The board submit their report for the year ended 30 June 2013.

1. Review of activities

Main business and operations

The company is engaged in promoting christian spirituality and operates in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. 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.

3. Events after the reporting period

The board are not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

IFRS for SME's were applied for the financial year.

5. Non-current assets

There were no major changes in the nature of the non-current assets of the NPO during the year as well as the policy relating to its use.

6. Director

The board of the NPO during the year and to the date of this report is as follows:

Name
E Arrison
CA Anthonissen
L Cull
R Smith
J van Zyl
V Weitz
W Enslin-Geyser
C Ahrends
R Hickley

7. Secretary

The company had no secretary during the year.

8. Auditors

LDP Inc. will continue in office in accordance with section 90(6) of the Companies Act No. 71 of 2008, as amended.

Statement of Financial Position

Figures in Rand	Notes	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	3	14 425
Current Assets			
Trade and other receivables	3	2 721	2 719
Cash and cash equivalents	4	35 699	74 831
		38 420	**77 550**
Total Assets		**38 423**	**91 975**
Equity and Liabilities			
Equity			
Retained income		38 423	91 975
Total Equity and Liabilities		**38 423**	**91 975**

Statement of Comprehensive Income

Figures in Rand	Notes	2013	2012
Revenue	5	604 236	641 788
Operating expenses		(658 772)	(704 403)
Operating loss		**(54 536)**	**(62 615)**
Investment revenue	6	984	2 957
Fair value adjustments	7	-	(1 242)
Loss for the year		**(53 552)**	**(60 900)**
Total comprehensive loss for the year		**(53 552)**	**(60 900)**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2011	**152 875**	**152 875**
Changes in equity		
Total comprehensive loss for the year	(60 900)	(60 900)
Total changes	(60 900)	(60 900)
Balance at 01 July 2012	**91 975**	**91 975**
Changes in equity		
Total comprehensive loss for the year	(53 552)	(53 552)
Total changes	(53 552)	(53 552)
Balance at 30 June 2013	**38 423**	**38 423**

Note

Statement of Cash Flows

Figures in Rand	Notes	2013	2012
Cash flows from operating activities			
Cash receipts from customers		604 236	639 068
Cash paid to suppliers and employees		(644 350)	(694 552)
Cash used in operations	9	(40 114)	(55 484)
Interest income		984	2 957
Net cash from operating activities		**(39 130)**	**(52 527)**
Cash flows from investing activities			
Nett Movement in financial assets		(2)	25 939
Net cash from investing activities		**(2)**	**25 939**
Total cash movement for the year		**(39 132)**	**(26 588)**
Cash at the beginning of the year		74 831	101 419
Total cash at end of the year	4	**35 699**	**74 831**

Accounting Policies

1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act No.71 of 2008, as amended. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 10 First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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, which is as follows:

Item	Average useful life
Furniture and fixtures	6 year
Office equipment	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit and loss;
- Financial assets that are equity instruments measured at cost less impairment; and
- Financial liabilities measured at amortised cost.

A financial instrument is classified on the date of recognition. Classification depends on the nature of the instrument and purpose for which the instrument was obtained or incurred.

Recognition

The company shall recognise a financial asset or a financial liability when the company becomes a party to the contractual provisions of the instrument.

Accounting Policies

1.2 Financial instruments (continued)

Initial and subsequent measurement per category

- Financial assets measured at amortised cost

Debt instruments issued by the company as well as cash and cash equivalents are classified as financial assets measured at amortised cost. These include loans to directors, cash and cash equivalents, trade debtors, certain other receivables and other loans receivable. These instruments are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost, using the effective interest method.

- Financial liabilities measured at amortised cost.

Debt instruments held by the company are classified as financial liabilities measures at amortised cost. These include loans from shareholders, loans payable, bank overdraft, trade creditors and certain other payables. These instruments are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost, using the effective interest method.

Impairment of financial instruments measured at cost less impairment or amortised cost

At the end of each reporting period, the company shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost less impairment or amortised cost. If there is objective evidence of impairment, the company shall recognise an impairment loss in profit or loss immediately.

If, in a subsequent period, the amount of accumulated impairment losses previously recognised decrease, and the decrease can be related objectively to an event occurring after the impairment was recognised, the company shall reverse the previously recognised impairment losses.

Amortised cost and effective interest rate method

The amortised cost of a financial asset or financial liability is calculated as follows:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- minus any repayments of the principal;
- plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and maturity amount; and
- minus, in the case of a financial asset, any reduction for impairment or uncollectibility.

A financial instrument that has no stated repayment terms and/ or interest rate is classified as current and is measured at it's undiscounted amount.

The effective interest rate method is a method calculating the amortised cost of a financial instrument and of allocating interest income and interest expense over the relevant period.

Interest expense is recognised on the basis of the effective interest rate method and is included in finance cost. Interest income is recognised on the basis of the effective interest rate method and is included in investment income.

Fair value measurement

Fair value is determined by using the following bases in descending order:

- the quoted market price in an active market;
- the price of a recent transaction; or
- a valuation technique.

Accounting Policies

1.2 Financial instruments (continued)

Derecognition

- Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

- Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

1.3 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Annual Financial Statements

Figures in Rand	2013	2012

2. Property, plant and equipment

	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	2 855	(2 853)	2	2 855	(2 853)	2
Office equipment	35 352	(35 351)	1	35 352	(20 929)	14 423
Total	**38 207**	**(38 204)**	**3**	**38 207**	**(23 782)**	**14 425**

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
Furniture and fixtures	2	-	2
Office equipment	14 423	(14 422)	1
	14 425	**(14 422)**	**3**

3. Trade and other receivables

	2013	2012
Trade receivables	1	(1)
Other receivables	2 720	2 720
	2 721	**2 719**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2013	2012
Cash on hand	3 038	2 205
Bank balances	32 661	72 626
	35 699	**74 831**

5. Revenue

	2013	2012
Revenue	604 236	641 788

6. Investment revenue

	2013	2012
Interest revenue		
Bank	984	2 957

7. Fair value adjustments

	2013	2012
Investments	-	(1 242)

8. Taxation

No provision has been made for 2012 tax as the centre is a non-profit organisation and therefor exempt from income tax.

Notes to the Annual Financial Statements

Figures in Rand	2013	2012

9. Cash used in operations

Loss before taxation	(53 552)	(60 900)
Adjustments for:		
Depreciation	14 422	9 851
Interest received	(984)	(2 957)
Fair value adjustments	-	1 242
Changes in working capital:		
Trade and other receivables	-	(2 720)
	(40 114)	**(55 484)**

10. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The company has applied the International Financial Reporting Standards for Small and Medium-sized Entities,for the first time for the 2013 year end.

Statement of Financial Performance

Figures in Rand	Note	2013	2012
Revenue			
Revenue		604 236	641 788
Other income			
Interest received	6	984	2 957
Operating expenses			
Accounting fees		7 484	13 167
Advertising		9 889	1 953
Assessment rates & municipal charges		3 745	5 608
Bank charges		4 007	4 840
Cleaning		1 739	1 401
Computer expenses		2 652	1 038
Consulting and professional fees		5 434	14 542
Consumables		1 157	797
Depreciation		14 422	9 851
Employee costs		419 772	380 615
Entertainment		-	60
Fundraising expenses		8 053	-
Gifts		2 822	887
Insurance		2 372	2 227
Lease rentals on operating lease		31 480	33 034
Magazines, books and periodicals		666	4 368
Ministry expenses		119 106	172 882
Postage		136	107
Printing and stationery		6 443	17 939
Repairs and maintenance		710	12 244
Security		2 767	5 117
Staff welfare		1 881	2 737
Telephone and fax		8 542	9 262
Training		900	8 419
Travel - local		2 593	1 308
		658 772	**704 403**
Operating loss		**(53 552)**	**(59 658)**
Fair value adjustments	7	-	(1 242)
Loss for the year		**(53 552)**	**(60 900)**

The following supplementary information does not form part of the annual financial statements and is unaudited: