

NG WELFARE NORTH WEST (NGW)
Non-profit Company (NPC)

ANNUAL REPORT

A YEAR IN REVIEW

2018 / 2019

NG Welfare North West (referred to as NGW) is the registered welfare organisation of the Dutch Reformed Church of the Synod of Goudland, operating in the North West Province and in the Vaal and West-Rand regions of Gauteng.

Registration

- Welfare Organisation (WO) (Act 110/1978)
- Non-Profit Company (NPC) (Act 71/2008 – as amended)
Registration number: 1995/0088030/08
- Non-Profit Organisation (NPO) (Act 71/1997 – as amended)
Registration number: 002-059 NPO
- Public Benefit Organisation (PBO) (Sec 30, Act 58/1962)
Registration number: PBO 930 003 679
- Designated Child Protection Organisation (CPO) (Act 38/2005)

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www.facebook.com/ngwelfare
<https://twitter.com/ngwelfare>
<https://www.youtube.com/channel/UCbLy0zxyLqKdfGfkj1I96XQ>
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Banking details:
NG Welfare Noordwes
ABSA
Cheque Account No: 01009700249
Branch Code: 632005



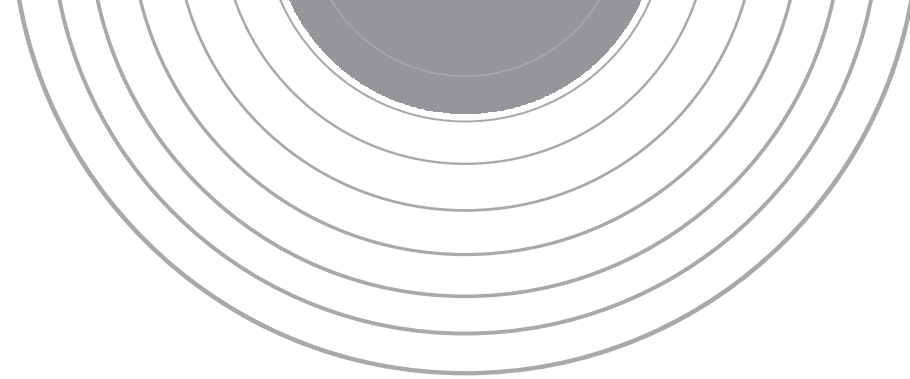
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CORE BUSINESS:

We provide professional social welfare services and focus mainly on the protection of children and families and on residential care for older persons.



VISION:

The optimal social functioning of the individual, family and community to the glory of God.



MISSION:

NGW is committed to render a comprehensive professional social welfare service.

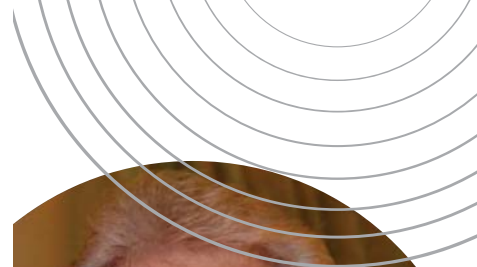


CORE VALUES:

Honesty & Integrity
Grace & Compassion
Trust & Reliability

“Let us practice the fine art of making every work a priestly ministration. Let us believe that God is in all our simple deeds and learn to find Him there.”

A.W. Tozer



MESSAGE FROM THE MD



Dear friends, personnel and supporters of NG Welfare,

This annual report is evidence that the good work with which NG Welfare is busy can still continue despite increasingly difficult times. We therefore thank the Lord that He provides and enables us to bring help and hope in a broken South Africa. We honour His name for the ability to touch so many lives during this financial year. Humanly speaking, this service should have been terminated long ago because of high costs and its intensive nature. Thanks to our partners, with whom we share this mission, you will be able to see the outreach of the charity service through this report. Our sincere appreciation to all.

During the past financial year, we had to think innovatively about many new challenges that developed in the charity milieu. Not only did the need increase extremely, but the nature of aid became more specialised. This required our personnel to constantly perform their duties with vision and re-orientation. We are blessed with some of the best personnel, who deliver work of the highest standards, while receiving remuneration which is under market value. Without their commitment, we would not be able to make such a huge difference on so many terrains.

Another challenge is that senior personnel, with many years of experience, are currently retiring and we will have to adjust our structures accordingly. On the level of the Board of Directors, the work in the two provinces will have to be more independent of each other during the next financial year. We are looking forward to seeing the new role players in the two provinces taking the lead in establishing contemporary leadership.

We want to convey our sincere gratitude to all members of the Board of Directors, members of the Advisory Boards and volunteers. In future the leadership, which is decentralised increasingly, provoke large challenges and new responsibilities to them. We trust that competent leaders will volunteer for these tasks.

It is important to mention that the partnership of The Government helps us to assist an increasing part of our community's needs. Furthermore we are looking forward to implement the new collaboration structures with new enthusiasm.

We owe the church community sincere gratitude, who has to find larger contributions, in order to help finance this High Mission. The largest contribution from their side is perhaps their religious support which we receive together with large thanks offerings. We are thankful that we can be part of the church's missional vocation in South Africa.

It is very clear from these reports that the task that lies ahead, will be challenging. We are thankful for new senior personnel who approaches this play-ground with enthusiasm and expertise. We trust that the best is still to come for NG Welfare.

Blessings,

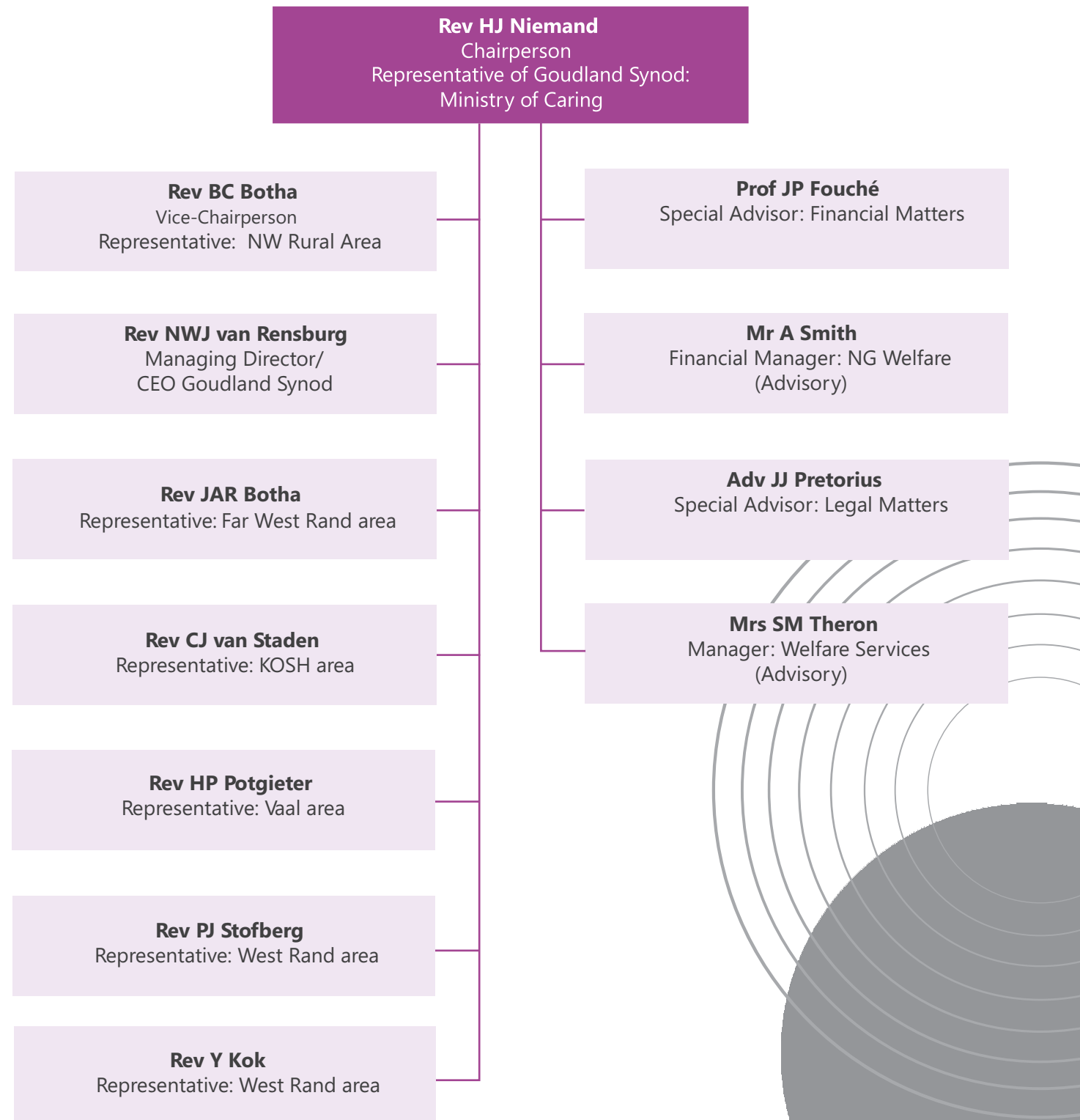
Rev Nico van Rensburg
Managing Director

GOVERNANCE AND MANAGEMENT

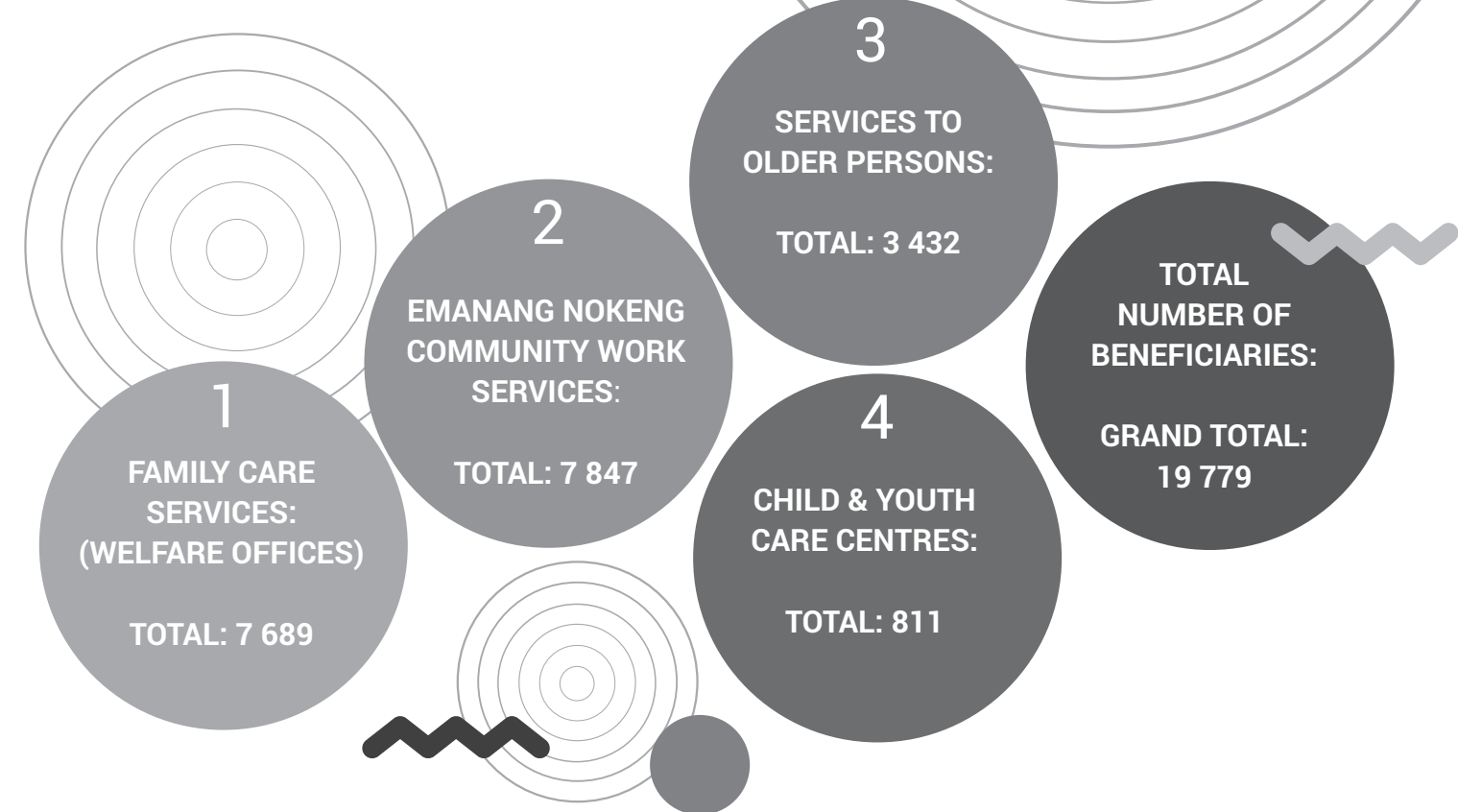
NG Welfare North West is governed by a Board of Directors. The quarterly meetings of 2018/19 took place on the following dates: 14 May 2018, 27 August 2018 (Annual General Meeting), 12 November 2018 and 11 February 2019.

Each of the 25 branches of NG Welfare is governed by an Advisory Board comprising members of the local community and management staff. Meetings also take place quarterly. Please refer to the organogram on page 10.

BOARD OF DIRECTORS



BENEFICIARIES



BENEFACTORS, SUPPORTERS AND CO-WORKERS

Acknowledgement: A special word of appreciation to our loyal benefactors and supporters: Thank you for your continuous support. Your financial contributions greatly strengthen our hands to protect the vulnerable. To our volunteers: Thank you for giving your time and talents without any compensation.



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA



Thank you to all the extremely dedicated, loyal and efficient staff and volunteers in all the affiliations for their sustained hard work.

Staff 706 **Volunteers** 783

FAMILY CARE SERVICES

“You don’t choose your family. They are God’s gift to you, as you are to them.”
Desmond Tutu

OBJECTIVES & ACCOMPLISHMENTS

Strengthen family life & improve the general well-being of dysfunctional families:

Provide Child Protection Services to children whose safety and well-being is possibly endangered or at risk.

Children’s Court Cases:

The safety and well-being of **369** children has been secured through Children’s Court Orders. Of these 369 children, the well-being of **177** has been secured by the use of Form 38. The remaining **192** children had to be removed with Form 36 and put into temporary safe care in order to ensure their well-being. This accentuates the need in our society for people who can provide temporary shelter or safe care to such children.

Monitor placements of children in alternative care.

Alternative Care and Support Services:

1 526 children are in alternative care. Of these **1 526** children, **1 383** are in foster care, **128** in Children’s Homes (Child and Youth Care Centres) and **15** in Industrial Schools now known as Child and Youth Care Centres providing special services.

Protect vulnerable children, orphans and other children-at-risk:

Provide therapeutic, support and/or care services to families with a focus on children identified as being vulnerable or exposed to high-risk situations.

62 Parenting plans have been ratified by court in order to ensure stability in the family lives of **71** children.

288 Families were reunited through our services.

Family Care services:

With HIV/AIDS ravaging through families, the care and protection of a lot of children has fell upon grandparents. This has led to a shocking statistic of **1 044** elderly persons reached through family care services.

GROUP- & COMMUNITY WORK SERVICES

“Without community service, we would not have a strong quality of life. It’s important to the person who serves as well as the recipient. It’s the way in which we ourselves grow and develop.”
Dorothy Height

OBJECTIVES & ACCOMPLISHMENTS

Empower people, build capacity, resilience & self-reliance

Present programmes in the community that aid in the prevention of neglect, exploitation, maltreatment or insufficient supervision of the children. Provide opportunities for Skills Development to improve chances for employment and self-sustainability.

During the past financial year, a lot of time has been spent on the training of day-care providers and the implementation of such projects in order to make early childhood development programs more accessible to children in poor and rural communities. These programs also help to protect children and meet their basic needs, such as the provision of meals. In Vereeniging, this project has even been recognised and supported by means of an additional subsidy by the Department of Social Development and there is also a pilot project with a toy library.

- Projects such as fatherhood programs to address the social phenomenon of absent fathers.
- Prevention programs focus on teaching children life skills to protect themselves against crimes such as child trafficking and abuse.
- Foster children in their teens are equipped with life skills to help them prepare for the adult life after leaving school.
- Training of **14** day-care mothers in the communities of Vereeniging and Roodepoort.
- A total of **58** Projects were presented
- With ECD programmes **161** children were reached.

Community & Group Work with Clients:

Life Skills with Adolescents; Training of Foster Parents; Grief counselling with orphans; Parenting Skills; Fatherhood Programmes; Support Groups; Holiday programmes; Handcrafts; Information sessions; Group work with foster children.

Emanang Nokeng: Community & Group Work with non-Clients

ECD and training of day-care mothers at community day-care centres; Vegetable gardens; Holiday programmes; Mentorships; Life Skills; Awareness Campaigns; Group work with children with aggressive behavioral problems.

Social Trends

Deficient parental skills/guidance. Disintegration of family life. Moral decay. Violence & sexual abuse. Deterioration of social fibre. Exploitation of/through social media. Poverty and neglect. Drug abuse. Early school drop-outs.

Challenges

High demand for NGW's expertise & services. Complexity of cases. High cost of support services. Limited resources for alternative care. Insufficient financial resources. Staff burnout and turnover. Transport in rural areas.

A total of 7 847 people were reached.
6 635 were reached through community work & 1 051 were reached through Group Work

RESIDENTIAL CHILD CARE SERVICES: CHILD AND YOUTH CARE CENTRES

“The well-being and welfare of children should always be our focus.”
Todd Tiaht

OBJECTIVES & ACCOMPLISHMENTS

Provide safe & caring environment

These children had been removed from their parents' care by means of a Children's Court Order often because of traumatic circumstances, such as serious neglect or abuse.

333 children involved of which 251 resided at Abraham Kriel CH & 82 resided at Catherine Robson CH	Accommodation	Education
	Provision in basic needs	Formal education in local schools & extra classes
	Counselling	Transport to and from schools/extra classes
	Therapy	Skills Development
	Spiritual guidance	Sport & Recreation
	Emotional support	Aiding with application for bursaries for higher education

Outreach initiatives

Support children in community and involve children in social outreach projects.

Community Involvement

- Building relationships and establishing common purposes with other role players and support systems in the community.
- The local and regional hospitals and clinics play an important role in medical care.
- Services provided by other professionals in the community: Psychologists, psychiatrists, speech therapists, occupational therapists, play therapists, forensic assessors and orthodontists. Some of these professionals are employed by government, but many are in private practice.
- Funding/donors from local businesses to support projects.
- Weekend- & holiday friends help take care of children who are unable to go home to their biological care takers.

International Involvement

- Both CYCC's receive valuable assistance from German volunteers. They help with after school studies and homework as well as free time play and commitments.

Fundraising

- Even though both CYCC's have fundraising projects throughout the year, the biggest annual fundraising event is the Festival of Lights during Decembers at Abraham Kriel CH that grows from strength to strength each year.

Social Integration & Responsibility

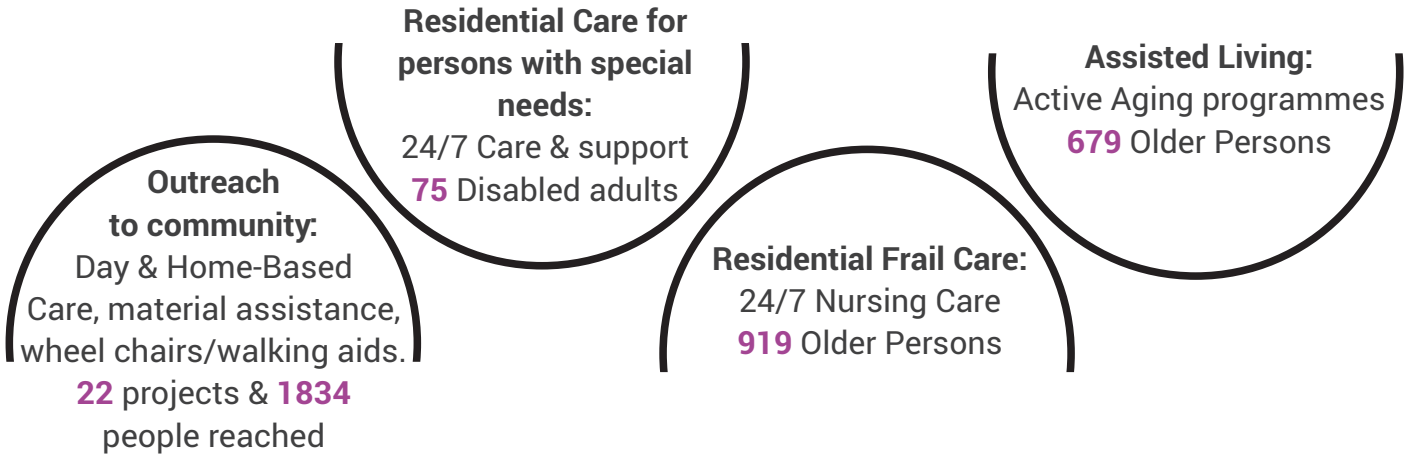
- Food parcels to families/hosts during school holidays.
- Transport of children visiting families in neighbouring towns and settlements.
- Children go on outings to residential care facilities for the elderly, animal shelters & shelters for the homeless.
- Provide student internships opportunities for local Universities.
- Children of Abraham Kriel CH cleaned up a local park as part of their Mandela-day outreach.

Trends	Challenges
Children experience severe trauma before intake	Recruiting trained staff and ensuring new staff get specialised training as soon as possible.
Victims of sexual/culture abuse & drug abuse	Peer group pressure.
Acting-Out Behaviour	Insufficient resources for children with intensive therapeutic needs.
Large number of children with psychiatric disorders, especially at Catherine Robson	Unchanged circumstances of parents.
Extended family of orphaned children unable to take them into foster care	Vacancies at Child Protection Organisations resulting in restricted rendering of reunification services.
Children in the care of CYCC's show improvement in their general development	Multi-disciplinary team work.

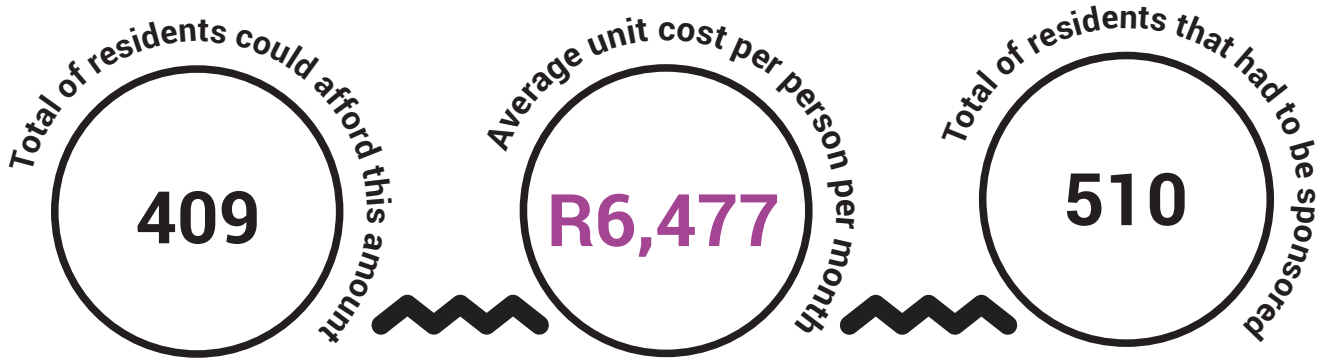
RESIDENTIAL CARE & SERVICES FOR OLDER PERSONS

“Let us never know what old age is. Let us know the happiness time brings, not count the years.”
Ausonius

Provide safe & caring environment to frail & debilitated Older Persons



A special thanks to the 273 volunteers helping the elderly



Trends	Challenges
• Frailty & Vulnerability. • Increasing numbers of older persons are victims of crime, neglect & exploitation. • Poverty/insufficient financial support. • Older persons abandoned by families. • Loneliness amongst residents. • Unavailability or decline in services provided by state hospitals and other medical services from government entities, such as ambulance services and provision of medical supplies. • Decline in residents because of financial constraints. • Families of elderly parents waiting longer to place them in a facility. • Steep increase in basic necessities like food and diapers.	• Shortage of trained staff willing to work in NPO-sector. • Increased number of sub-economic residents puts strain on budgets. • Difficult balance between affordability & quality of services. • Inconsistency of basic municipal services. • Demands by labour unions & Labour relations unrest. • Diminishing of donations as a result more and more fundraising attempts are needed. • Challenging (disabled) residents requiring more specialised personnel willing to work for small salaries. • Sassa grant insufficient to sustain the elderly

NG WELFARE NORTH WEST NPC

GOVERNANCE & MANAGEMENT STRUCTURES



CORPORATE GOVERNANCE

The Board of Directors subscribes to the best practices and principles as contained in the Code of Governance for South Africa in the King IV report. The Board of Directors regularly monitors its application in order to ensure continuous improvement of the managerial and corporate practices and that the operations of the company are managed with transparency and integrity.

The recommendations of the King IV report are applied in as far as they are applicable to non-profit companies and as defined and qualified below. The new Companies Act, Act 71 of 2008 (the New Act), is applicable since 1 May 2011 and the Board of Directors continuously ensures compliance herewith within the set time frames.

Ethical leadership and corporate citizenship

The company and its Board of Directors comply with, and subscribe to the strictest ethical values and fully practise corporate citizenship, especially in the field of social services delivered. The Company and the Board of Directors meet all legal requirements and other regulatory requirements, codes and standards. Not all of these processes have as yet been formally documented and issued as policy and procedures, but they fall within the duties in terms of the charters of the Board and the Social and Ethics Committee in the foreseeable future.

Board of Directors

The Board of Directors and the Governance and Management structure is portrayed in the report on page 4 and page 10 respectively in the report.

Risk management

The Audit and Risk Committee met on four occasions during the past financial year. Sustainable finances remain the organisation's largest challenge linked to the current economic climate. Cash flow management at the lowest branch level remain a challenge in many instances and is continuously managed. Meeting the requirements of the Department of Social Development as crucial stakeholder is important. Some changes to the management structure were put into place to meet these requirements at provincial level. Measures were put into place to allow for whistle blowing and complaint resolution. Succession plans was put in place with regards to retiring management members and board members of the company.

The Company deficit for 2018/2019 financial year was R1,904,949. Various fundraising efforts are underway at Head Office as well as at the branches. The company also hopes to receive Lotto money again in future.

No unusual or unexpected risks were taken while executing the company's activities; thus neither was any accompanying material losses incurred.

GENERAL TRENDS, RISKS & CHALLENGES



MANAGEMENT

- Recruitment of new Senior Management with appropriate expertise after retirement of present senior staff members.
- Transformation of the BOD.
- Recruitment of willing and available volunteers to serve as Board or as Advisory Board members without compensation.



STAFF

- Recruitment difficult due to non-competitive remuneration in NPO-sector.
- High turnover of professional staff due to financial constraints with regards to remuneration.
- Skills shortage especially in professional nursing services.
- Inaccessibility of skilled & experienced social workers for complicated cases of child protection.
- Burnout



SERVICE DELIVERY

- Deterioration of municipal services in rural areas and deterioration of quality of life as a result.
- Limited resources.
- Sustainability of services due to financial constraints/staff turnover.
- Possibility of termination of services – closure of offices.
- Staff turnover due to non-competitive salaries.



FUNDS

- Financial planning & budgeting complicated by:
 - Decreased funding from Dutch Reformed Church due to decline in membership numbers.
 - Delayed payments of government funding.
 - Sporadic funding from National Lotteries Commission.
- Fundraising done by already over-exploited staff members.
- Contingency funds at most of the branches are being utilised to cover expenditure – in some cases it have been totally depleted.
- NG Welfare Carletonville closed down on 28 February 2019 due to insufficient funds.
- Competitiveness between NGO's for corporate funding



NEEDS

- Need for specialised HR manager to handle staff issues and deliberations with trade unions.
- Need of formal Staff Support Programme.
- Need for professional fund raiser.
- Need for improved partnership and joint ventures with other NGO's.
- Increased need for *Pro Bono* services of legal experts for social casework management.



INFRASTRUCTURE

- Buildings are old and require constant maintenance.
- Funds constrained for maintenance and replacement of vehicles & office equipment.

SOCIAL AND ETHICAL ASPECTS

As stated in the *Standing Orders* of the Social and Ethical Committee of NG Welfare, the Committee is responsible to monitor the company's activities regarding relevant legislation and codes of best practice related to specific areas:

- **Social & Economic standing and development**

To measure current practice and to make recommendations regarding *The United Nations Global Compact Principles (10 Principles on Human Rights, Labour, Environment, Anti-Corruption)*, the OECD recommendations regarding corruption, the Employment Equity Act, and the Broad-Based Black Economic Empowerment Act.

- **Corporate citizenship**
- **Environment, health and safety**
- **Labour and employment**

These documents were used to make sure that the integrity of NG Welfare's activities are of the highest standards.

SUSTAINABILITY AND INTEGRATION

This annual report is presented as an integrated report which addresses the annual financial statement figures as well as the social, environmental and economic aspects. Due to the nature of activities, a great deal of this report is dedicated to the social services rendered to the broad community.

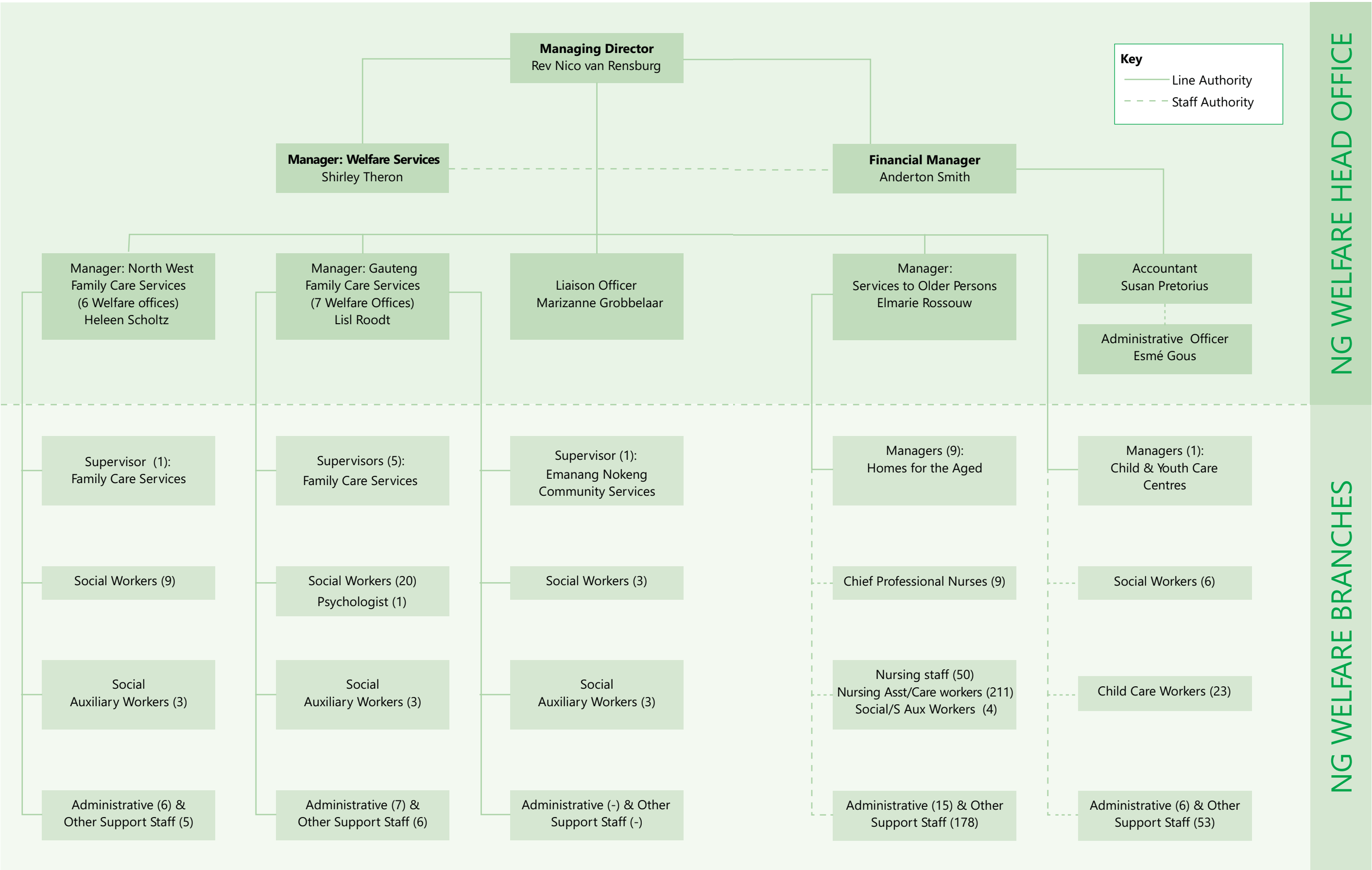
None of the sustainability aspects are subject to an audit or assurance engagement, because of costs involved and the focus on the spending of funds on welfare work.

The sustainability of activities forms a huge part of the focus of the Board and top management. Due to the welfare and non-profit nature of activities, the company is largely dependent on donations and church and government support; thus no guarantee of continued support exists. In spite of this, the company has dealt with its financial matters extremely responsibly and has therefore also already placed large funds on fixed investment.

STAKEHOLDER RELATIONSHIPS

The company operates in the wider society to render welfare and social services; thus society is an important stakeholder. Liaison and regular feedback continuously take place between local communities and officials of the company, as well as between congregations where some of the Board members are active and congregations where welfare services are actively rendered. The relationships with the community, as well as with the church, government and welfare services within The Government, therefore are actively managed on a continuous basis as part of the company's core business.

NG WELFARE NORTH WEST NPC ORGANOGRAM: PERSONNEL



REPORT OF THE AUDIT & RISK COMMITTEE

We hereby present our report for the Financial year that ended February 28, 2019 to the Board of Directors. The Audit Committee is an independent committee, appointed by the Board of Directors that also delegates duties and responsibilities to the Committee.

The Audit Committee is of the opinion that this report meets the requirements of the Companies Act (Act 71 of 2008, as amended) and all the material recommendations of the King Code of Governance for South Africa (King IV). The committee did a self-evaluation for the first time in October 2018 and immediately started to address matters it could improve on.

The Audit Committee's duties were formalised in a charter that had been approved by the Board of Directors and updated during the year. Since its inception, the Audit Committee has managed its activities in accordance with the charter and discharged its responsibilities as contained in the charter.

Composition

The Companies Act and King IV require that the audit committee must comprise at least three members. Every member of the committee must be an independent non-executive director. The past year there were four independent non-executive directors on the committee.

The Managing Director, Financial Manager and Secretary attend the meetings ex-officio but do not have any voting power.

Skills and experience

One member of the committee (Chairperson) was a CA(SA). The remaining three members are pastors involved in congregations. Ideally the committee would like to involve at least one more financial expert but it unfortunately has not materialised yet. All members have served on the committee in a previous year.

Diversity

The committee at the moment does not reflect much diversity in terms of race, age and gender. The composition is however in line with the broader membership in the company.

Chairperson of the board and the audit committee

The Chairperson of the board is appointed on the committee. The Chairperson does however not chair the committee.

Meetings

The following meetings were held during the year as was attended by the members as follows:

Member	14 May 18	27 Aug 18	10 Oct 18*	12 Nov 18	11 Feb 19
Prof. JP Fouché (Chair)	x	x	x	x	x
Rev. BC Botha (Vice Chair)	x	x	x	x	x
Rev. HJ Niemand	x	x	x	x	x
Rev. CJ van Staden	x	x	x	x	

* Special Meeting

Responsibilities

The Audit Committee is responsible for:

- The nomination of the registered independent auditor;
- The assessment of the independence of the registered independent auditor;
- An overview of all matters pertaining to the appointment, audit fees, completion and closing of the independent audit;
- The overview of the annual financial statements prior to submission to and approval by the Board of Directors, taking into consideration the company's going-concern status;
- The revision of the annual report and all sustainability matters prior to submitting it to the Board of Directors;
- Maintaining a proper risk management process;
- Monitoring the internal audit function;
- Monitoring a proper internal control system; and
- Monitoring the processes and procedures concerning ethical behaviour within the company.

The Audit Committee therefore reports that all the duties and responsibilities, as described, have been honoured since the first meeting up to and including the overview meeting concerning the financial statements for the year under review. The Audit Committee specifically report that:

- The registered auditor is indeed independent;
- The annual financial statements have been evaluated and recommended to the Board (the audit report and the accounting policy and compliance with International Financial Reporting standards have been emphasized);
- The going-concern status of the Company has been reviewed and the Audit Committee is satisfied that the company has adequate resources available to continue to operate in the foreseeable future;
- The annual report has been reviewed for recommendation to the Board and to determine if corporate governance matters and sustainability reporting are sufficiently covered, taking into consideration the nature and size of the company;
- To the best of our knowledge, management has placed no limitations on the independent auditors in the execution of their duties;
- The risk management process has been performed, although the Board of Directors bears full responsibility for the maintenance of an effective risk management process;
- Although the Board of Directors bears full responsibility for the Company's internal control, the Audit Committee assisted the Board in monitoring the effectiveness and adequacy thereof;
- The internal audit function has been performed by the Financial Manager, due to the nature and limited extent of activities, as well as the limited resources available for this task. The Audit Committee acknowledges the lack of independence of this function, but also realises that financial resources can be better applied for the Company's main task and aim; and
- The Audit Committee has established that the Financial Manager has appropriate expertise and experience to act in this capacity. The Audit Committee is also satisfied that the Company's finance function has the required expertise and sufficient resources available to fulfil their responsibilities.

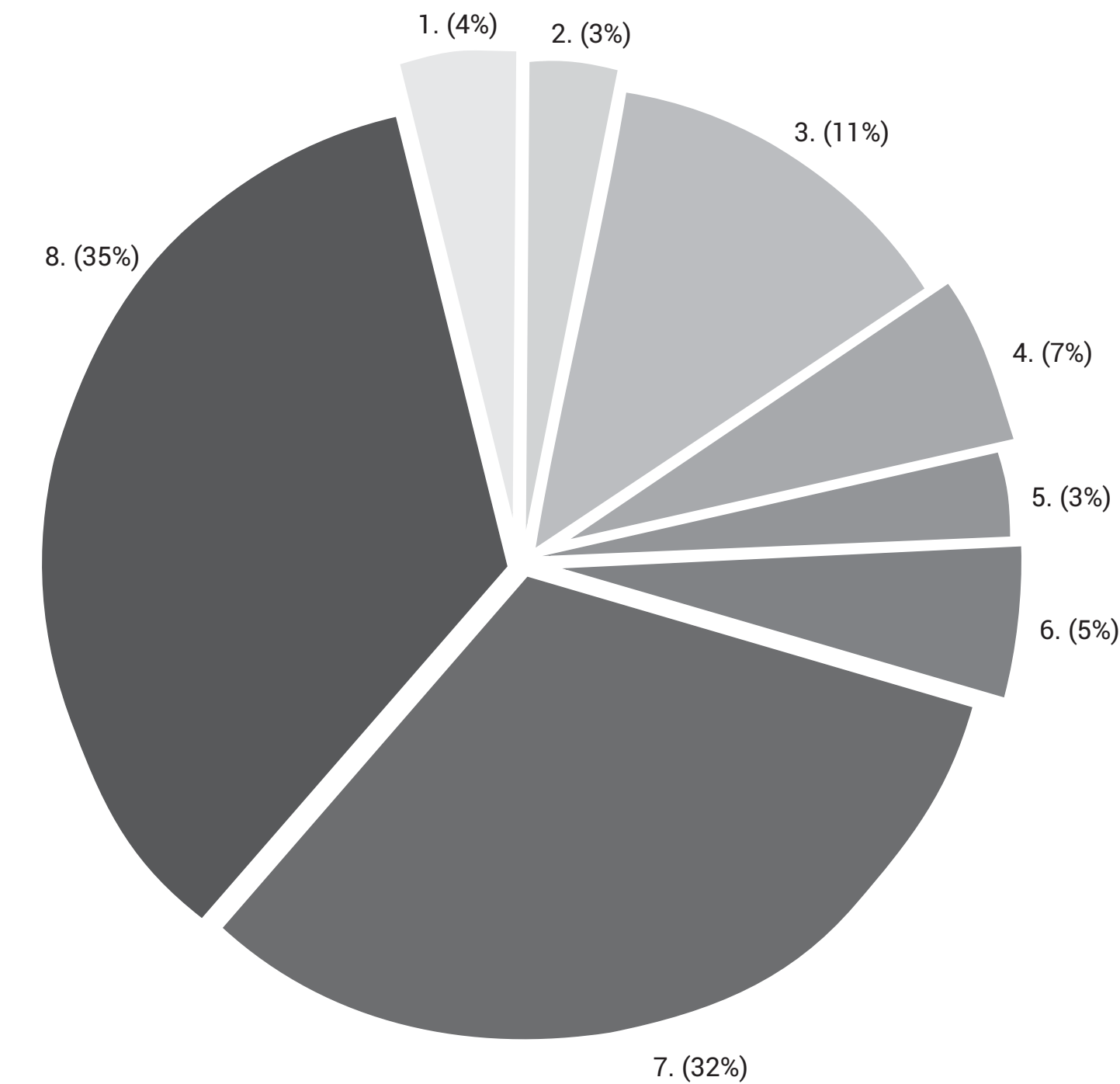
The Audit Committee noted gratefully that all the audited financial statements of the Company and its branches' have received unqualified audit reports.



Jaco Fouché

Chairperson of the Audit Committee

REVENUE 2018-2019



R101,260,936.00

- 1 Sundry (4%)
- 2 Congregations and Synod (3%)
- 3 Donations & bequests (11%)
- 4 Fundraising & projects (7%)
- 5 Lotto income (3%)
- 6 Rent received (5%)
- 7 Residential Service Fees (32%)
- 8 Subsidy: Department of Social Services (35%)



NG WELFARE NORTH WEST NPC

Trading as
 NG WELSYN NOORDWES MSW
 (Registration Number 1995/008030/08)
 Abridged Annual Financial Statements
 for the year ended 28 February 2019

Audited Financial Statements
 in compliance with Companies Act 71 of 2008
 Prepared: F.J. Bekker
 Position: Independent Compiler
 Audited: Philip Miller & Co.
 Position: Registered Auditor

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)
Abridged 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	To provide welfare and charitable services as the registered welfare organisation of the Dutch Reformed Church in the North West Province and in the Vaal and West Rand regions of Gauteng
DIRECTORS	Pretorius, J.J. Botha, B.C. Van Rensburg, N.W.J. Niemand, H.J. Van Staden, C.J. Fouché, J.P. Botha, J.A.R
REGISTERED OFFICE / BUSINESS ADDRESS	104 Peter Mokaba Avenue Potchefstroom 2531
BANKERS	ABSA
INCOME TAX REGISTRATION NUMBER	9050/709/61/8
AUDITORS	Philip Miller & Co. 12 Holtzhausen Road Baillie Park Potchefstroom 2526
WEBSITE	www.ngwelfare.co.za
DATE PUBLISHED	26 August 2019



PHILIP MILLER & CO.



REGISTERED AUDITORS/GEREGISTREERDE OUDITEURE
PRACTICE NUMBER – SAICA 03045752 / IRBA 904260-0000
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VAT Number: 4640108504

INDEPENDENT AUDITOR’S REPORT

To the Members of NG WELFARE NORTH WEST NPC

Opinion

We have audited the financial statements of NG WELFARE NORTH WEST NPC set out on pages 6-10, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The abridged annual financial statements are consistent, in all material respects, with these complete audited annual financial statements, from which it was derived.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Accounting policy and limitation of distribution and use

The abridged annual financial statements were prepared to assist the company in providing summarised financial information to the members. Due to this, these abridged financial statements may not be suitable for other purposes.

To better understand the scope of our audit and the financial position of the company, the abridged annual financial statements should be read in conjunction with our complete audit report, accounting policy and explanatory notes, included in the annual financial statements.

Philip Miller & Co.

26 August 2019


Per: G.M Smuts
Partner
Registered Auditor

12 Holtzhausen Road
Baillie Park
Potchefstroom
2526

F.J. BEKKER

PROFESSIONAL ACCOUNTANT (S.A.)

SAIPA NO. 22318

(B.Com Acc, Hons B.Com Fin Acc)

P.O. Box 17476

Lyttleton

Pretoria

0140

Cell: 083 514 4585

Fax: 086 232 9568

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REPORT OF THE COMPILER

To the Shareholders of NG WELFARE NORTH WEST NPC

We have compiled the accompanying annual financial statements of NG WELFARE NORTH WEST NPC based on information you have provided. These annual financial statements comprise the statement of financial position of NG WELFARE NORTH WEST NPC as at 28 February 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Per: F.J. Bekker
Professional Accountant (SA)

26 August 2019

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)

Abridged Annual Financial Statements for the year ended 28 February 2019

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the South African Companies Act 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 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 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 going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm Phillip Miller & Co., who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 3.

The abridged annual financial statements are consistent, in all material respects, with the complete audited annual financial statements, from which it was derived.

The abridged annual financial statements as set out on pages 6 to 10 were approved by the board on 26 August 2019 and were signed on their behalf by:

Director

Director

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)
Abridged Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2019

Figures in R	2019	2018
Assets		
Non-Current Assets		
Property, plant and equipment	33,848,527	36,520,587
Loans receivable	181,737	181,737
	34,030,264	36,702,324
Current Assets		
Inventories	597,959	622,266
Investments	28,460,497	33,054,458
Trade and other receivables	6,535,741	6,303,659
Cash and cash equivalents	6,103,675	4,162,664
	44,697,872	44,143,047
Total Assets	75,728,136	80,845,371
Equity and Liabilities		
Equity		
Special trust funds and reserves	15,481,429	18,302,351
Retained earnings	11,876,977	13,914,757
	27,358,406	32,217,108
Non-Current Liabilities		
Borrowings	40,069,925	40,739,831
Current Liabilities		
Trade and other payables	5,667,423	4,864,924
Borrowings	2,627,241	3,023,508
Bank overdraft	5,141	-
	8,299,805	7,888,432
Total Equity and Liabilities	75,728,136	80,845,371

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)
Abridged Annual Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in R	2019	2018
Revenue	101,260,936	94,557,789
Operating costs	(105,100,079)	(98,889,476)
Other gains and losses	(203,518)	(52,145)
Operating deficit	(4,042,661)	(4,279,542)
Investment income	2,189,358	1,695,844
Finance costs	(51,646)	(1,492)
Deficit for the year	(1,904,949)	(2,585,190)

Statement of Changes in Equity

Figures in R	Special Trust Funds & Reserves	Retained earnings	Total
Balance at 1 March 2017	24,664,146	9,881,429	34,545,575
Loss for the year		(2,585,190)	(2,585,190)
Total comprehensive income for the year		(2,585,190)	(2,585,190)
Transfer from reserves and funds	(6,618,512)	6,618,512	6
Transfer to / (utilising of) reserves and funds	(818,709)	-	818,709
Adjustments - Transfer to / (utilising of) reserves and funds - special projects and community development incentives	(561,992)	-	561,992
Balance at 28 February 2018	18,302,351	13,914,757	32,217,108
Balance at 1 March 2018	18,302,351	13,914,757	32,217,108
Loss for the year	-	(1,904,949)	(1,904,949)
Total comprehensive income for the year	-	(1,904,949)	(1,904,949)
Transfer from reserves and funds	(2,933,950)	(276,525)	(3,210,475)
Transfer to / (utilising of) reserves and funds	(143,694)	143,694	
Adjustments - Transfer to / (utilising of) reserves and funds - special projects and community development incentives	256,722		256,722
Balance at 28 February 2019	15,481,429	11,876,977	27,358,406

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)
Abridged Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in R	2019	2018
Cash flows from / (used in) operating activities		
Loss for the year	(1,904,949)	(2,585,190)
<i>Adjustments for:</i>		
Finance costs	51,646	1,492
Depreciation of property, plant and equipment	3,251,972	3,396,967
Investment income	(2,189,358)	(1,695,844)
Operating cash flow before working capital changes	(790,689)	(882,575)
<i>Working capital changes</i>		
Decrease / (Increase) in financial assets	(4,593,961)	(2,346,845)
Decrease / (Increase) in inventories	(24,307)	(299,740)
Increase in trade and other receivables	(232,082)	(144,592)
Increase / (Decrease) in trade and other payables	802,499	(566,222)
Net cash flows from / (used in) operations	(4,397,996)	(4,239,974)
Investment income	1,366,062	1,519,932
Finance costs	(51,646)	(1,492)
Dividends received	823,296	175,912
Net cash flows from / (used in) operating activities	(6,535,708)	(2,545,622)
Cash flows from investing activities		
Property, plant and equipment acquired less adjustments	(948,014)	(1,056,287)
Property, plant and equipment transfers and adjustments	321,928	418,460
Proceeds on disposals of property, plant and equipment	46,174	17,983
Net cash flows in investing activities	(579,912)	(619,844)
Cash flows (used in) / from financing activities		
Loans (repaid) / raised	(1,066,173)	2,204,913
Transfer to reserves and funds	(2,953,753)	256,723
Net cash flows (used in) / from financing activities	(4,019,926)	2,461,636
Net increase / (decrease) in cash and cash equivalents	(1,935,870)	(703,830)
Cash and cash equivalents at beginning of the year	4,162,664	4,866,494
Cash and cash equivalents at end of the year	6,098,534	4,162,664

NG WELFARE NORTH WEST NPC

(Registration Number 1995/008030/08)
Abridged Annual Financial Statements for the year ended 28 February 2018

Notes to the Abridged Annual Financial Statements

Abridged Annual Financial Statements

The abridged annual financial statements have been derived from the audited annual financial statements. The complete audited annual financial statements, together with a copy of the unqualified audit report issued by the independent auditor will be available for inspection at the registered offices of the company or on the website of the company (<http://www.ngwelfare.co.za>).

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

NGW BRANCHES

FAMILY CARE OFFICES

Fochville Social Services	018 771 3773
NGW Klerksdorp	018 462 9887
NGW Krugersdorp	011 660 3183
NGW Lichtenburg	018 632 4347
NGW Meyerton	016 362 0864
NGW Potchefstroom	018 297 7347
NGW Randfontein	011 412 1036
NGW Roodepoort	011 955 6924
NGW Schweizer-Reneke	053 963 1156
NGW Vanderbijlpark	016 981 1044
NGW Vereeniging	016 421 4044
Verwes Social Services Wolmaransstad	018 596 1318
NGW Zeerust	018 642 1312

INSTITUTIONS:

HOMES FOR THE ELDERLY

Huis Meyerton	016 362 0045
Japie Kritzinger Home for the Elderly, Bloemhof	053 433 1403
Jeugland Home for the Elderly, Vanderbijlpark	016 933 3995
Huis Delarey, Delareyville	053 948 1928
Klerksdorp Home for the Elderly	018 462 5638
Koster Home for the Elderly	014 543 2052
Luipaardsvlei Home for the Elderly, Krugersdorp	011 955 2108
Silwerjare Home for the Elderly, Schweizer-Reneke	053 963 1330
Wolmaransstad Home for the Elderly	018 596 1159

SERVICE CENTRE

Jeugland, Vanderbijlpark	016 933 3995
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CHILD AND YOUTH CARE CENTRES

Abraham Kriel Child and Youth Care Centre, Potchefstroom	018 294 5347
Catherine Robson Child and Youth Care Centre, Vereeniging	016 455 1733

COMMUNITY CARE CENTRES

Emanang Nokeng	083 268 3660
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Community Work service points:

- Vereeniging
- Polokong (Vanderbijlpark)
- Magaliesburg & Kagiso (Krugersdorp)
- Princess, Davidsonville and Soul City (Roodepoort)
- Jabulani (Randfontein)