

Denis Hurley Centre Trust
(Registration number IT 544/2010)
Annual Financial Statements
for the year ended 31 December 2016

Denis Hurley Centre Trust

(Registration number IT 544/2010)

Annual Financial Statements for the year ended 31 December 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non Profit Organisation. Trust forms part of the Archdiocese of Durban and is a registered Public Benefit Organisation.
Trustees	Mr Gerald Patrick Kearney Fr. Nkosinathi Ngcobo Monsignor Paul Antoine Zelenski Nadal Mr Emmanuel Sipho Phakathi Ms Ursula Colette Collings Ms Hester Joseph Mr Timothy Mark Desmond Ms Nondumiso Shangase Prof Joyce Mahlako Tsoka - Gwegweni
Auditor's	C&S Chartered Accountants Inc Chartered Accountants (S.A.) Registered Auditors
Secretary	Ms J Mathias

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

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

These annual financial statements have been audited.

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Trustees' Responsibilities and Approval

The trustees are required by the Non-Profit Organisations Act, 1997, 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 trust 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.

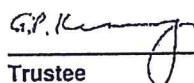
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The trustees 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 external auditor's are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board on 20 June 2017 and were signed on its behalf by:


Trustee

CHARTERED ACCOUNTANTS INC

REG. NO. 2013/122925/21
Registered Auditors

Bringing you peace of mind

Suite 9, 3 Warwick Place, Pinetown 3610 • P O Box 2151, Pinetown, South Africa 3600
Tel: 031 701 7388 • Fax: 031 702 8393

Directors:

Denis Saville • Rajendran Reddy • Adrian Veeran
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Independent Auditor's Report

To the trustees of Denis Hurley Centre Trust

Qualified opinion

We have audited the Annual Financial Statements of Denis Hurley Centre Trust set out on pages 7 to 13, which comprise the Statement of Financial Position as at 31 December 2016, 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 Denis Hurley Centre Trust as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act, 1997.

Basis for qualified opinion

In common with similar organisations, it was not feasible for the trust to institute controls over cash collections prior to the initial entry into the accounting records. Accordingly, it was impracticable to extend our examination beyond receipts actually recorded.

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Non-Profit Organisations Act, 1997, 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 trustees 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 Non-Profit Organisations Act, 1997, and for such internal control as the trustees 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 trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trusts 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 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 trust 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 trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



C & S Chartered Accountants Inc.
Chartered Accountants (S.A.)
Registered Auditors
Per: D.C. Saville
Director

20 June 2017

Suite 9
3 Warwick Place
Pinetown
3600

Denis Hurley Centre Trust

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Annual Financial Statements for the year ended 31 December 2016

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of Denis Hurley Centre Trust for the year ended 31 December 2016.

1. Nature of business

Denis Hurley Centre Trust was incorporated in South Africa with interests in the Non-profit industry. The trust aims to serve the needs of the poorest people in Durban by co-operating with people of all faiths and traditions to provide a clinic, feeding scheme, vocational training, educational and community support and a pastoral outreach to South Africans, migrants and refugees.

There have been no material changes to the nature of the trust's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act, 1997. 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 trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees

Mr Gerald Patrick Kearney

Fr. Nkosinathi Ngcobo

Monsignor Paul Antoine Zelenski

Nadal

Mr Emmanuel Sipho Phakathi

Ms Ursula Colette Collings

Ms Hester Joseph

Mr Timothy Mark Desmond

Ms Nondumiso Shangase

Prof Joyce Mahlako Tsoka -

Gwegweni

There have been no changes to the trustees for the period under review.

4. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The trustees believe that the trust 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 trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient funding to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees 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 trust.

6. Auditors

C & S Chartered Accountants Inc. continued in office as auditors for the trust for 2017.

7. Secretary

The trust secretary is Ms J Mathias.

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Statement of Financial Position as at 31 December 2016

Figures in Rand	Notes	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	29 111 246	29 243 194
Current Assets			
Trade and other receivables	3	263 585	1 423 522
Cash and cash equivalents	4	3 965 306	2 977 338
		4 228 891	4 400 860
Total Assets		33 340 137	33 644 054
Equity and Liabilities			
Equity			
Trust capital		100	100
Retained surplus		32 204 464	31 642 621
		32 204 564	31 642 721
Liabilities			
Current Liabilities			
Trade and other payables	5	174 877	176 245
Deferred income		960 696	1 825 088
		1 135 573	2 001 333
Total Equity and Liabilities		33 340 137	33 644 054

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Statement of Comprehensive Income

Figures in Rand	2016	2015
Income	4 485 097	9 036 619
Operating expenses	(4 190 876)	(3 533 198)
Operating profit	294 221	5 503 421
Investment revenue	267 622	124 264
Surplus for the year	561 843	5 627 685
Other comprehensive income	-	-
Total comprehensive income for the year	561 843	5 627 685

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Statement of Changes in Equity

Figures in Rand	Trust capital	Retained surplus	Total equity
Balance at 01 January 2015	100	26 014 936	26 015 036
Surplus for the year	-	5 627 685	5 627 685
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5 627 685	5 627 685
Balance at 01 January 2016	100	31 642 621	31 642 721
Surplus for the year	-	561 843	561 843
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	561 843	561 843
Balance at 31 December 2016	100	32 204 464	32 204 564

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Statement of Cash Flows

Figures in Rand	Notes	2016	2015
Cash flows from operating activities			
Cash generated from operations	6	884 332	7 742 746
Interest income		267 622	124 264
Net cash from operating activities		1 151 954	7 867 010
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(280 492)	(1 276 790)
Prior period VAT adjustment	2	116 506	46 868
Net cash from investing activities		(163 986)	(1 229 922)
Cash flows from financing activities			
Advance of other financial liabilities		-	(5 000 000)
Net (repayment) cash from financing activities		-	(5 000 000)
Total cash movement for the year		987 968	1 637 088
Cash at the beginning of the year		2 977 338	1 340 250
Total cash at end of the year	4	3 965 306	2 977 338

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Non-Profit Organisations Act, 1997. 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.

1.1 Property, plant and equipment

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

Costs include 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.

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 as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years
Other assets	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

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Notes to the Annual Financial Statements

Figures in Rand

2016

2015

2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	27 997 629	-	27 997 629	28 047 267	-	28 047 267
WIP- Assets in building	116 504	-	116 504	84 182	-	84 182
Furniture and fixtures	920 444	(285 704)	634 740	816 600	(146 601)	669 999
Office equipment	304 150	(164 094)	140 056	226 691	(69 253)	157 438
IT equipment	207 822	(143 901)	63 921	207 823	(84 894)	122 929
Computer software	8 958	(7 462)	1 496	8 958	(4 479)	4 479
Other assets	156 900	-	156 900	156 900	-	156 900
Total	29 712 407	(601 161)	29 111 246	29 548 421	(305 227)	29 243 194

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Adjustments	Depreciation	Total
Buildings	28 047 267	66 867	(116 505)	-	27 997 629
WIP- Assets in building	84 182	32 322	-	-	116 504
Furniture and fixtures	669 999	103 844	-	(139 103)	634 740
Office equipment	157 438	77 459	-	(94 841)	140 056
IT equipment	122 929	-	(4)	(59 004)	63 921
Computer software	4 479	-	3	(2 986)	1 496
Other assets	156 900	-	-	-	156 900
	29 243 194	280 492	(116 506)	(295 934)	29 111 246

3. Trade and other receivables

Accrued income	6	2
Deposits	54 000	57 323
Prepayments	3 165	10 274
Salary clearance	-	1 800
Trade receivables	182 529	5 050
VAT	23 885	1 349 073
	263 585	1 423 522

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	10 000	8 564
Bank balances	3 955 306	2 968 774
	3 965 306	2 977 338

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Notes to the Annual Financial Statements

Figures in Rand	2016	2015
5. Trade and other payables		
Accrued expense	-	42 088
Clientele	-	6 375
Creditors control	684	9 520
Creditors' accruals	168 440	3 380
Deposits	-	2 500
Identity document transactions	536	-
Miscellaneous	-	83 289
SARS	5 217	2 711
Support for the homeless	-	11 436
Trade payables	-	14 946
	174 877	176 245
6. Cash generated from operations		
Surplus before taxation	561 843	5 627 685
Adjustments for:		
Depreciation	295 934	219 060
Interest received	(267 622)	(124 264)
Changes in working capital:		
Trade and other receivables	1 159 937	1 441 102
Trade and other payables	(1 368)	11 584
Deferred income	(864 392)	567 579
	884 332	7 742 746

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Detailed Income Statement

Figures in Rand	2016	2015
Income		
Activity- Bricks programme	3 811	5 000
Activity- Butterfly project	145 606	-
Activity- Cafe fundraising	10 645	-
Activity- Camino walk	430	3 686
Activity- Chair purchase	6 200	-
Activity- Dare To Care	39 018	-
Activity- First Holy Communion	2 700	-
Activity- Hurley weekend	600	2 880
Activity- Marketing products	5 432	40 692
Activity- Miscellaneous	1 538	76 617
Activity- Sewing items	81 132	36 276
Activity- Social meal project	30 364	-
Centenary concert income	-	208 544
Donation- Individuals, organisations and other	1 473 248	6 327 994
Donation- Cathedral Parish	95 350	165 813
Donation- Catholic Parishes	412 375	1 151 082
Donation- Centenary Club	286 257	60 625
Donation- Overseas individuals and organisations	1 032 283	335 685
Interest received	267 622	124 264
Oxfam	-	92 215
Rent receivable- internal	340 200	264 000
Sundry income	-	2 659
Tenant income	73 800	72 000
Venue hire	444 108	190 851
	4 752 719	9 160 883

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Detailed Income Statement

Figures in Rand	2016	2015
Operating expenses		
Accounting fees	(19 914)	(16 873)
Advertising	(18 675)	(10 920)
Auditors remuneration	(22 200)	(21 657)
Bank charges	(11 268)	(13 146)
Catering	-	(2 362)
Centenary concert expenses	(4 416)	(250 614)
Cleaning	(193 547)	(169 409)
Commission paid	(11 585)	-
Computer expenses	-	(3 212)
Consulting and professional fees	-	(4 513)
Consumables	-	(16 691)
Depreciation	(295 934)	(219 060)
Donations	-	(200)
Employee costs	(1 301 870)	(1 033 986)
Empowerment	(8 572)	-
Equipment (small)	(2 120)	(5 795)
Fundraising costs	(120 606)	(64 745)
Haberdashery	(3 480)	(7 213)
Hospitality expenses	(1 688)	-
Hurley Weekend costs	(232)	(2 701)
Insurance	(41 822)	(39 202)
Internet	(142 936)	(113 653)
Legal expenses	(1 596)	-
Magazines and journals	(13)	-
Management services	(385 200)	(330 000)
Marketing products expenses	-	(32 973)
Meal preparation	(15 443)	-
Medical expenses	(531 965)	(424 379)
Miscellaneous expenses	(15 171)	-
Motor vehicle expenses	(42 721)	(42 860)
Municipal expenses	(254 486)	(119 391)
Official opening expenses	-	(26 419)
Organisational events	(8 722)	-
Other income generating expenses	(2 500)	(501)
Printing and stationery	(34 359)	(33 995)
Rent paid	(357 000)	(266 800)
Repairs and maintenance	(84 004)	(48 370)
Secretarial fees	(712)	-
Security services	(117 436)	(94 158)
Staff welfare	(32 805)	(62 041)
Sundry expenses	-	(1 206)
Telephone and fax	(32 698)	(29 405)
Textile materials	(11 352)	-
Training	(25 859)	(10 321)
Travel - local	(30 569)	(10 591)
Uniforms	(3 800)	(3 836)
Valet service	(1 600)	-
	(4 190 876)	(3 533 198)
Surplus for the year	561 843	5 627 685

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Notes to the Annual Financial Statements

Figures in Rand

Revenue

Local Donations - > R50 000	
Batho Batho Trust "A" (Part of grant received in 2014 used in 2016)	475 200
Dunne, T	120 000
Emmanuel Cathedral	95 350
Hornby Family Trust	130 500
Hornby Smyly Glavovic Inc (HSG)	120 000
Immaculate Conception, Pinetown	54 000
McCord Trust	87 384
Newshelf 802 (Pty) Ltd	60 000
St Vincent de Paul Society, St Dominic's, Hillcrest	84 000
Sugarequip (Pty) Ltd	50 000
Local Donations - < R50 000	
Businesses	59 580
Catholic Parishes	51 704
Catholic Organisations	68 802
Other Organisations & Individuals	301 834
Overseas Donations - > R50 000	
Denis Hurley Association (from individual donors in the U.K.)	153 869
Embassy of Ireland	577 500
Nixon, Carolyn	54 000
Oxfam Australia	68 750
U S Embassy	289 406
Overseas Donations - < R50 000	
Other Organisations & Individuals	111 377
	3 013 256

Deferred Income

Batho Batho Trust "A" (Balance of grant received 2014)	355 200
Batho Batho Trust "B"	400 000
Embassy of Ireland	115 543
Nixon, Carolyn	8 973
Other	30 980
Sisters of the Holy Family	50 000
	960 696