

CHRISTEL HOUSE SOUTH AFRICA (NPC)

Trading as

CHRISTEL HOUSE SOUTH AFRICA

(Registration Number 2001/012349/08)

PBO Number 130001018

Annual Financial Statements

for the year ended 31 December 2021

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08 2001/012349/08)

Annual Financial Statements for the year ended 31 December 2021

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CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08 2001/012349/08)

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of Incorporation and Domicile	SOUTH AFRICA
Nature of Business and Principal Activities	INDEPENDENT SCHOOL
Registered Office	ERF 2877 SWALLOWCLIFFE DRIVE OTTERY 7800
Postal Address	PO BOX 767 HOWARD PLACE PINELANDS 7450
Bankers	FIRST NATIONAL BANK a division of FIRST RAND LIMITED
Independent Auditors	MAZARS Mazars House Rialto Road Century City Cape Town 7441
Company Secretary	Shereen La Fleur CA(SA)

Independent Auditor's Report

31 December 2021

To the Directors of Christel House South Africa NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Christel House South Africa NPC set out on pages 7 to 20 which comprise the statement of financial position as at 31 December 2021, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Christel House South Africa NPC as at 31 December 2021, 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 Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Impact of the outbreak of COVID-19 on the financial statements

We draw your attention to the directors' view of the impact of COVID-19 as disclosed in notes 2 and 8 in the Directors' Report, and the COVID-19 implications in notes 19 and 21 to the annual financial statements. Our opinion is not modified for this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the Detailed Income Statement presented on page 21 - 22. The 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mazars
Partner: Jacki Barnard
Registered Auditor
13 April 2022
Cape Town

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08)

Annual Financial Statements for the year ended 31 December 2021

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, MAZARS, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of 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 pages 2 to 3.

The annual financial statements as set out on pages 7 to 20 were approved by the board on 13 April 2022 and were signed on their behalf by:


IM Russell


A Marais

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08)

Annual Financial Statements for the year ended 31 December 2021

Directors' Report

The directors present their report for the year ended 31 December 2021.

1. Review of activities

Main business and operations

The organisation is engaged in providing educational programmes, health services, enrichment activities and social integration functions for disadvantaged children and there were no major changes therein during the year.

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

2. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

The directors are not aware of any other material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

3. Events after reporting date

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

4. Directors' interest in contracts

To our knowledge, and other than stated in note 16, none of the directors had any interest in contracts entered into during the year under review.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name

IM Russell (British) Chairman

A Marais

BR Peterson (American)

CE Manning

CA Buchanan

WL Hull

AM Mogase

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Directors' Report

Directors cont'd

LC Ronnie

L Sigauke (Appointed 14 April 2021) (Zimbabwean)

SR La Fleur (Appointed 14 April 2021)

L Naidoo (Appointed 14 April 2021)

S Moleko (Appointed 14 April 2021)

A Fourie (Appointed 12 January 2022)

BM Stocks (Resigned 15 April 2021)

A Holme (Appointed 14 April 2021) (Resigned 21 October 2021) (British)

6. Secretary

The company's designated secretary is Shereen La Fleur CA(SA).

7. Independent Auditors

MAZARS were re-appointed as independent auditors of CHRISTEL HOUSE SOUTH AFRICA (NPC).

8. Covid 19 Implications

Within the context of the current epidemic (COVID-19), the global picture remains uncertain and is evolving rapidly. The directors have considered the potential impact of COVID-19 on the business and have not seen any material impact on the business to date. They will continue to closely monitor the potential impact of COVID-19 on the business.

CHRISTEL HOUSE SOUTH AFRICA (NPC)

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Financial Statements for the year ended 31 December 2021

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	44,188,563	41,558,309
Intangible assets	4	448,414	233,725
		44,636,977	41,792,034
Current Assets			
Cash and Cash Equivalents	5	28,522,391	29,218,852
Inventories	6	770,572	594,560
Trade and Other Receivables	7	1,221,764	1,476,550
		30,514,727	31,289,962
Total Assets		75,151,704	73,081,996
Equity and Liabilities			
Equity			
Accumulated Surplus		48,738,993	47,136,095
Non-Current Liabilities			
Deferred revenue	8	2,253,137	2,397,249
Current Liabilities			
Deferred revenue	8	18,495,755	15,661,825
Trade and Other Payables	9	5,663,819	7,886,827
		24,159,574	23,548,652
Total Equity and Liabilities		75,151,704	73,081,996

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/082001/012349/08)

Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

Figures in R	Notes	2021	2020
Revenue	11	78,229,680	77,569,256
Operating Expenses		<u>(77,149,415)</u>	<u>(70,771,100)</u>
Operating Surplus	12	1,080,265	6,798,156
Investment Income - Interest	13	523,447	1,443,839
Finance costs	14	<u>(814)</u>	<u>(238,195)</u>
Surplus for the year		<u>1,602,898</u>	<u>8,003,800</u>
Total comprehensive income for the year		<u>1,602,898</u>	<u>8,003,800</u>

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08)

Financial Statements for the year ended 31 December 2021

Statement of Changes in Equity

Figures in R	Accumulated Surplus	Total
Balance at 1 January 2020	39,132,295	39,132,295
Surplus for the year	8,003,800	8,003,800
Balance at 31 December 2020	47,136,095	47,136,095
Balance at 1 January 2021	47,136,095	47,136,095
Surplus for the year	1,602,898	1,602,898
Balance at 31 December 2021	48,738,993	48,738,993

CHRISTEL HOUSE SOUTH AFRICA (NPC)

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Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in R	Note(s)	2021	2020
Cash Flows from Operating Activities			
Cash Generated from Operations	15	7,581,180	11,069,970
Investment Income - Interest		523,447	1,443,839
Finance costs		(814)	(238,195)
Net Cash from Operating Activities		8,103,813	12,275,614
Cash Flows from Investing Activities			
Property, Plant and Equipment Acquired	3	(8,302,222)	(6,671,657)
Intangible assets acquired	4	(498,051)	-
Surplus or Deficit of Disposal of PPE		(1)	-
Net Cash Utilised in Investing Activities		(8,800,274)	(6,671,657)
(Decrease)/Increase in Cash and Cash Equivalents		(696,461)	5,603,957
Cash and Cash Equivalents at Beginning of the Year		29,218,852	23,614,895
Cash and Cash Equivalents at End of the Year	5	28,522,391	29,218,852

CHRISTEL HOUSE SOUTH AFRICA (NPC)

(Registration Number 2001/012349/08 NPO Number: 017-044)

Financial Statements for the year ended 31 December 2021

Accounting Policies

1. General information

CHRISTEL HOUSE SOUTH AFRICA (NPC) is a non profit company incorporated in South Africa.

2. Presentation of the annual financial Statements

These annual financial statements have been prepared in accordance with with International Financial Reporting Standards (IFRS) for Small and Medium-Sized Entities (SMEs) and the Company's Act of South Africa No.71 of 2008. The annual financial statements have been prepared on this historical cost basis and are presented in Rands.

The principal accounting policies are set out below. These accounting policies are consistent with the previous year.

2.1 Significant judgements and sources of estimation uncertainty

Useful lives of property, plant and equipment

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

2.2 Income taxation

No provision for income tax has been recognised as the company has been approved as a Public Benefit Organisation in terms of S30 of the Income Tax Act and the receipts and accruals are exempt in terms of Section 10(1)(cN) of the Act.

2.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot rate) or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income.

2.4 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost.

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.

Property Plant and Equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Depreciation on school buildings has been provided for on the straight line basis over the remaining period of the lease which expires on 31 January 2038.

CHRISTEL HOUSE SOUTH AFRICA (NPC)

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Financial Statements for the year ended 31 December 2021

Accounting Policies

2.4 Property, plant and equipment cont'd

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated average useful lives of property, plant and equipment are as follows:

Item	Average useful life
School buildings and sport fields	Lease Period
Furniture and fittings	6-10 years
Motor vehicles	5-8 years
Computer equipment	5 years
Educational Infrastructure	4-10 years

The residual value, depreciation method and useful life of each asset are reviewed at the end of each annual reporting period and if there are indicators present that there has been significant change from the previous estimates. Any adjustments are accounted for prospectively as a change in estimate.

Where a part of an item of property, plant and equipment is significant in relation to the cost of the item, that part is depreciated separately. The depreciation charge is recognised as an expense in the Statement of Comprehensive Income.

An item of property plant and equipment is derecognised upon disposal or when no economic benefit is expected from its use. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the detailed Statement of Comprehensive Income and is calculated as the difference between the net proceeds, if any, and the carrying amount of the item at the date of derecognition.

Impairment of Assets

The company assesses at each reporting period date whether there is any indication that an asset (or group of related assets) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset (or group of related assets) and writes off impairment through surplus or deficit. If an impairment subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

2.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Computer software	2-5 years
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The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

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

CHRISTEL HOUSE SOUTH AFRICA (NPC)

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Financial Statements for the year ended 31 December 2021

Accounting Policies

2.6 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the company. All other leases are classified as operating leases.

Payments made under operating leases are charged to the surplus or deficit over the period of the lease after taking into account any fixed escalation clauses. Contingent rents are charged as an expense in the periods in which they are incurred.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories comprise all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories mainly consist of school wear and text books which are valued at cost on a first-in, first-out basis.

2.8 Financial Instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include trade receivables, trade payables and other assets. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

2.9 Employee benefit obligations

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

CHRISTEL HOUSE SOUTH AFRICA (NPC)

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Financial Statements for the year ended 31 December 2021

Accounting Policies

2.9 Employee benefit obligations cont'd

Retirement funding obligations

The company has a defined contribution provident fund. A defined contribution plan is a plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

2.10 Revenue recognition

Revenue comprises grants and donations received including donations in kind and sundry income.

Grants

Grants from the government are recognised at their fair value in the Statement of Comprehensive Income where there is a reasonable assurance that the grant will be received and the company has complied with all attached conditions. Grants received where the company has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within current liabilities) and released to income when all attached conditions have been satisfied. Government grants received are included as revenue in the Statement of Comprehensive Income.

Donations

Donations are recognised in the Statement of Comprehensive Income when the company's right to receive payment has been established.

Donations in kind

Probono goods and services received are included in revenue at market value at the date of the transaction and are reflected in the relevant expense accounts as per the detailed statement of comprehensive income.

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Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in R 2021 2020

3. Property, Plant and Equipment

	2021			2020		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
School buildings and sports fields	50,782,912	(18,680,451)	32,102,461	47,562,148	(16,826,558)	30,735,590
Motor vehicles	2,649,753	(1,300,116)	1,349,637	1,675,998	(1,277,391)	398,607
Furniture and fittings	1,624,599	(1,439,266)	185,333	1,491,770	(1,405,700)	86,070
Computer equipment	26,092,341	(15,943,492)	10,148,849	23,128,081	(13,037,214)	10,090,867
Educational infrastructure	3,160,080	(2,757,797)	402,283	2,914,239	(2,667,064)	247,175
	84,309,685	(40,121,122)	44,188,563	76,772,236	(35,213,927)	41,558,309

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2021				
	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
School buildings and sports fields	30,735,590	3,220,763	-	(1,853,892)	32,102,461
Motor vehicles	398,607	973,756	-	(22,726)	1,349,637
Furniture and fittings	86,070	132,830	-	(33,567)	185,333
Computer equipment	10,090,867	3,729,033	(286,406)	(3,384,645)	10,148,849
Educational infrastructure	247,175	245,840	-	(90,732)	402,283
	41,558,309	8,302,222	(286,406)	(5,385,562)	44,188,563

	2020				
	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
School buildings and sports fields	29,223,965	3,140,500	-	(1,628,875)	30,735,590
Motor vehicles	404,769	-	-	(6,162)	398,607
Furniture and fittings	138,514	-	(1)	(52,443)	86,070
Computer equipment	10,294,002	3,466,640	(131,611)	(3,538,164)	10,090,867
Educational infrastructure	412,863	64,517	(33,638)	(196,567)	247,175
	40,474,113	6,671,657	(165,250)	(5,422,211)	41,558,309

4. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying Value	Cost	Accumulated amortisation	Carrying Value
Computer software	752,354	(303,940)	448,414	3,299,302	(3,065,577)	233,725
	752,354	(303,940)	448,414	3,299,302	(3,065,577)	233,725

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Notes to the Annual Financial Statements

Figures in R 2021 2020

The carrying amounts of intangible assets can be reconciled as follows:

	2021				Carrying value at end of year
	Carrying value at beginning of year	Additions	Amortisation	Disposals	
Computer software licences	233,725	498,051	(283,362)	-	448,414
	233,725	498,051	(283,362)	-	448,414
	2020				Carrying value at end of year
	Carrying value at beginning of year	Additions	Amortisation	Disposals	
Computer software licences	914,479		(680,754)	-	233,725
	914,479	-	(680,754)	-	233,725

5. Cash and Cash Equivalents

Favourable Cash Balances

Cash on hand	1,784	1,789
Bank balances	28,520,607	29,217,063
	<u>28,522,391</u>	<u>29,218,852</u>

6. Inventories

Text books	185,210	209,844
Laptops	31,500	-
Schoolwear	553,862	384,716
	<u>770,572</u>	<u>594,560</u>

7. Trade and Other Receivables

Interest receivable	67,485	87,754
Prepaid expenses	269,761	275,006
Sundry receivables	23,277	11,500
Vat receivable	861,241	1,102,290
	<u>1,221,764</u>	<u>1,476,550</u>
Impairment loss	-	-
	<u>1,221,764</u>	<u>1,476,550</u>

Items Included in Trade and Other Receivables Not Classified as Financial Instruments

Prepaid expenses	269,761	275,006
Vat receivable	861,241	1,102,290
	<u>1,131,002</u>	<u>1,377,296</u>

Trade and Other Receivables Net of Non-Financial Instruments	<u>90,762</u>	<u>99,254</u>
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Financial Statements for the year ended 31 December 2021

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Figures in R	2021	2020
8. Deferred Revenue		
Operational funding for future periods from Christel House International, Inc.	17,453,249	14,309,496
Other Restricted Donations	3,295,643	3,749,578
	<u>20,748,892</u>	<u>18,059,074</u>
Long-term portion - utilised later than one year	2,253,137	2,397,249
Short-term portion - utilised within one year	18,495,755	15,661,825
	<u>20,748,892</u>	<u>18,059,074</u>
9. Trade and Other Payables		
Trade creditors	131,882	275,229
Accrued liabilities	383,525	156,709
Payroll accruals	5,148,412	7,454,889
	<u>5,663,819</u>	<u>7,886,827</u>
10. Operating Lease Commitments		
At year-end, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:		
no later than one year	271,044	94,437
later than one year but no later than five years	167,504	74,745
	<u>438,548</u>	<u>169,182</u>
Minimum lease payments recognised as an expense in the period.	<u>297,467</u>	<u>236,304</u>
11. Revenue		
An analysis of revenue is as follows:		
Christel House International and Christel House Europe Operating Funds	43,241,028	48,528,355
Donations	17,955,114	13,354,444
Donations - in kind	5,647,807	4,866,975
Grants	11,323,632	10,267,933
Special events	8,181	50,086
Student fees	3,600	6,060
Sundry income	50,318	495,403
	<u>78,229,680</u>	<u>77,569,256</u>
Included in Revenue are the following government Grants		
- Western Cape Education Department	5,909,162	5,619,475
- City of Cape Town - Grant in Aid	560,853	939,147

The Grant in Aid amount of R1500 000, received in 2020, was included in revenue as reflected above.

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Financial Statements for the year ended 31 December 2021

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	2021	2020
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12. Operating Surplus

The following items have been recognised as expenses in determining the operating surplus :

Depreciation property plant and equipment	5,385,562	5,422,211
Intangibles - Amortisation	283,362	680,754
Course Materials	2,548,253	2,270,328
Employee salaries and benefits	49,636,822	45,582,008
Learner Meals	2,884,902	3,362,131
Learner Transport	5,517,296	5,269,263
Repairs and Maintenance	2,032,306	1,204,071
	<u>68,288,503</u>	<u>63,790,766</u>

13. Finance income

Investment income - Interest	<u>523,447</u>	<u>1,443,839</u>
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14. Finance costs

South African Receiver of Revenue - Interest charges	<u>814</u>	<u>238,195</u>
	<u>814</u>	<u>238,195</u>

15. Cash Generated from Operations

Surplus for the year	1,602,898	8,003,800
<i>Adjustments for:</i>		
Finance costs	814	238,195
Depreciation of property, plant and equipment	5,385,562	5,422,211
Amortisation of Intangible assets	283,362	680,754
Investment Income - Interest	(523,447)	(1,443,839)
Deficit on disposal of property, plant and equipment	286,407	165,250
Deferred revenue	<u>2,689,818</u>	<u>(2,250,685)</u>
Operating Cash Flow Before Working Capital Changes	<u>9,725,414</u>	<u>10,815,686</u>
<i>Working capital changes:</i>		
(Increase)/decrease in inventory	(176,012)	187,520
Decrease/(increase) in trade and other receivables	254,786	(942,574)
(Decrease)/increase in trade and other payables	<u>(2,223,008)</u>	<u>1,009,338</u>
	<u>7,581,180</u>	<u>11,069,970</u>

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16. Related Party Transactions

Name	Relationship	Transaction		
Christel House International, Inc.	Supporting Donor	Funding	42,522,461	46,818,422
Christel House Europe	Supporting Donor	Funding	163,695	1,709,933
Christel House International, Inc. also donated funding during the year for the following year's operational requirements. Refer Note 8.			17,453,249	14,309,496
Donations from Directors and/or their related entities			6,070,580	5,264,839
Dell donated computer equipment to the value of R4 397 442 (2020 R3 341 934). New computer equipment comes with a 3 year full product warranty.				
Donations from employees			144,208	100,380
The remuneration of members of key management during the year was as follows:				
Salaries and benefits			7,245,311	6,775,611

17. Pro- Bono Goods and Services

Cleaning services	16,104	42,331
Computer equipment, software, support , maintenance and printing	5,067,103	3,663,874
Educational support and clothing	166,197	254,987
Professional services	66,845	237,110
School camps, toys and learner meals	242,894	498,463
Marketing and Branding	40,000	153,751
Classroom buildings and Furniture and Equipment	48,664	16,459
	<u>5,647,807</u>	<u>4,866,975</u>

18. Retirement Benefits

Defined Contribution Plan

It is the policy of the company to provide retirement benefits to all its permanent employees which is subject to the Pensions Fund Act.

The company is under no obligation to cover any unfunded benefits.

The total company contributions to such schemes 4,594,161 4,172,048

19. Going Concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future, including specific consideration of the risk associated with COVID-19. Accordingly the annual financial statements have been prepared on the going concern basis.

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Financial Statements for the year ended 31 December 2021

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20. Events after Reporting Period

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

21. Covid 19 Implications

Within the context of the current epidemic (COVID-19), the global picture remains uncertain and is evolving rapidly. The directors have considered the potential impact of COVID-19 on the business and have not seen any material impact on the business to date. They will continue to closely monitor the potential impact of COVID-19 on the business.

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Financial Statements for the year ended 31 December 2021

Detailed Statement of Comprehensive Income

Figures in R	2021	2020
Revenue		
Christel House International and Christel House Europe Operating Funds	43,241,028	48,528,355
Donations	17,955,114	13,354,444
Donations - in kind	5,647,807	4,866,975
Grants	11,323,632	10,267,933
Special events	8,181	50,086
Student fees	3,600	6,060
Sundry income	50,318	495,403
	<u>78,229,680</u>	<u>77,569,256</u>
Other Income		
Investment Income - Interest	523,447	1,443,839
	<u>78,753,127</u>	<u>79,013,095</u>

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Financial Statements for the year ended 31 December 2021

Detailed Statement of Comprehensive Income

Figures in R	2021	2020
Expenditure		
Advertising	153,729	154,117
Auditors' remuneration	167,550	122,700
Bank charges	67,185	91,360
Career guidance and graduate support	1,068,882	920,045
Computer expenses	723,270	188,307
Course materials	2,548,253	2,270,328
Deficit on disposal of property, plant and equipment	286,407	165,250
Depreciation property plant and equipment	5,385,562	5,422,211
Electricity and water	674,423	559,533
Employee salaries and benefits	49,636,822	45,582,008
Entertainment	4,193	2,504
Extramural activities	697,738	425,902
Field Trips	294,099	135,660
Finance costs	814	238,195
Impairment of Inventory	341,619	-
Insurance	185,925	169,822
Intangibles - Amortisation	283,362	680,754
Learner meals	2,884,902	3,362,131
Learner transport	5,517,296	5,269,263
Learner uniform	861,579	719,701
Lease rental on operating lease	297,467	354,328
Marketing and Promotions	430,159	742,246
Medical supplies	125,770	126,099
Motor vehicle expense	457,486	296,191
Postage	1,615	2,167
Printing and stationery	94,714	58,873
Professional fees	272,312	362,796
Repairs and maintenance	2,032,306	1,204,071
Security	706,161	633,938
Subscriptions	6,829	2,829
Telephone and fax	362,946	368,654
Training	569,909	353,991
Travel - local	8,945	23,321
Operating Expenditure	77,150,229	71,009,295
Profit before taxation	1,602,898	8,003,800
Operating Surplus for the year	1,602,898	8,003,800

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Supplementary Information

Figures in R 2021 2020

The Christel House holistic educational model is expansive providing significant programs and services beyond that traditionally offered by other schools. The table below reconciles the Christel House total annual programme cost per learner to its annual net educational cost per learner excluding programs and services not traditionally offered by other schools.

Total Operating Expense	77,150,229	71,009,295
Number of learners	797	733
Total Annual Programme Cost per Learner	96,801	96,875
Less: Christel House education model related expenses not traditionally provided in the South African schools (health, social and other service expenses):		
Programmes and Services		
Career guidance and graduate support	1,068,882	920,045
Clothing - Learner uniform	861,579	719,701
Course materials	2,548,253	2,270,328
Field Trips	294,099	135,660
Food	2,884,902	3,362,131
Health care	687,436	630,858
Classes outside of school hours	698,914	253,327
Social Services	2,771,599	2,579,291
Transport	5,517,296	5,269,263
Employee costs:		
Guidance counsellor	940,416	890,087
Remedial Teachers	1,210,044	1,170,745
Teacher assistants and Learning Loss	2,326,673	1,138,865
	<u>21,810,093</u>	<u>19,340,301</u>
Management and General expenses *	2,815,444	2,606,428
Fundraising expenses *	4,804,168	5,589,840
	<u>29,429,705</u>	<u>27,536,569</u>
Annual Net Educational Cost Excluding Programs and Services Not Traditionally Offered by Other Schools.	47,720,524	43,472,726
Number of learners	797	733
Annual Net Educational Cost Per Learner Excluding Programs and Services Not Traditionally Offered by Other Schools.	59,875	59,308

* Endless Success Foundation, Inc., a supporting organisation established by Christel DeHaan, the Founder of Christel House, covers all management and general and fundraising expenses of the organisation.