

**CHRYSALIS ACADEMY WESTERN CAPE TRUST**  
**(Registration number IT3808/2000)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principle activities</b>	Non profit
<b>Trustees</b>	MF Le Roux DH Pinnock DH Van Zyl NS Moeng
<b>Registered office</b>	Porter Estate Tokai Main Road Tokai 7945
<b>Business address</b>	Porter Estate Tokai Main Road Tokai 7945
<b>Postal address</b>	Private Bag X2 Tokai 7966
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Mazars Registered Auditor
<b>Trust registration number</b>	IT3808/2000
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Deed.
<b>Preparer</b>	The annual financial statements were independently compiled by: Norman Solbowitz Chartered Accountant (SA)
<b>Issued</b>	22 July 2020

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Trustees' Responsibilities and Approval**

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The trustees are required 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 auditors are engaged to express an independent opinion on the annual financial statements.

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

The 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 of trustees 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 trustees have reviewed the trust's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, They are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4 to 6.

The annual financial statements set out on pages 7 to 21, which have been prepared on the going concern basis, were approved by the board of trustees on 22 July 2020 and were signed on its behalf by:



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Trustee



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Trustee

## Independent Auditor's Report

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### To the trustees of Chrysalis Academy Western Cape Trust

#### Opinion

We have audited the annual financial statements of Chrysalis Academy Western Cape Trust set out on pages 9 to 21, which comprise the statement of financial position as at 31 March 2020, and the statement of other 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, the annual financial statements present fairly, in all material respects, the financial position of Chrysalis Academy Western Cape Trust as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Deed.

#### 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

In forming our opinion on the annual financial statements, which is not modified, we draw your attention to the trustees' view on the impact of the COVID-19 as disclosed on page 7, and the consideration in the going concern basis of preparation on page 20 and non-adjusting post balance sheet events on page 20.

Since the balance sheet date, the trust has assessed the impact of COVID-19 on the annual financial statements and considered the potential impact on the operations. While it is envisaged that there will be a negative impact on the performance of the trust over the remainder of the financial year, the full impact of COVID-19 cannot be reasonably estimated at this time. The notes referred to elaborate on the directors' determination as to why COVID-19 is not considered an adjusting subsequent event.

Management will continue to assess the financial impact of COVID-19 and its impact on the trust's financial condition, liquidity, operations, suppliers, industry and workforce, while placing the health and safety of employees first.

## **Independent Auditor's Report**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Deed. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 trustees for the Annual Financial Statements**

The trustees 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 Trust Deed, and for such internal control as the trustees 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 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 trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Annual 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Independent Auditor's Report**

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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.



**Mazars**  
**Theeban Gangen**  
**Registered Auditor**  
**22 July 2020**  
**Cape Town**

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Trustees' Report**

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The trustees have pleasure in submitting their report on the annual financial statements of Chrysalis Academy Western Cape Trust and its associates for the year ended 31 March 2020.

**1. Nature of business**

Chrysalis Academy Western Cape Trust is a registered non profit organisation engaged in providing training to formerly disadvantaged communities.

**2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

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**

MF Le Roux  
DH Pinnock  
DH Van Zyl  
NS Moeng

**4. Property, plant and equipment**

There was a change to the useful lives of of the property, plant and equipment of the trust in the current period. Refer to note 15 for further detail.

**5. Events after the reporting period**

The trust notes the recent announcement made by President Cyril Ramaphosa on Monday, 23 March 2020 during which it was announced that the South African Government will be implementig a 21-day nation wide lockdown with effect from Thursday, 26 March 2020 until midnight on Thursday, 16 April 2020. On 09 April 2020 President Cyril Ramaphosa announced a further 2 weeks extension of the national lockdown to 30 April 2020 to curb the spread of COVID-19. The trust is committed to contributing to the prevention of the spread of COVID-19 and will comply fully with the measures announced by the South African Government.

The national lockdown requires all non-essential businesses and activities to be suspended, with people confined to their homes. The activities carried out by Chrysalis Academy Western Cape Trust is not considered an essential services in accordance with government legislation.

On 24 May, President Ramaphosa announced the easing of lockdown restrictions to level 3 commencing on 1 June 2020 which would enable the vast majority of the economic sector, to return to work.

The trust cannot estimate the length of gravity of the impact of the COVID-19 outbreak at this time or the impact it may have on the trust's results of future operations post 2020 fiscal year.

Management is however satisfied that the trust will continue to receive financial support from the Western Cape Government.

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

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Trustees' Report**

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**6. 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 borrowing facilities 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.

**7. Auditors**

Mazars continued in office as auditors for the trust for 2020 financial year.

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Statement of Financial Position as at 31 March 2020**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	4,170,339	4,008,418
<b>Current Assets</b>			
Trade and other receivables	3	237,301	144,025
Cash and cash equivalents	4	7,235,690	8,360,687
		<b>7,472,991</b>	<b>8,504,712</b>
<b>Total Assets</b>		<b>11,643,330</b>	<b>12,513,130</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		6,149,095	6,375,362
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred income	5	4,071,435	4,311,972
Trade and other payables	6	1,284,406	1,499,464
Current tax payable		138,394	326,332
		<b>5,494,235</b>	<b>6,137,768</b>
<b>Total Equity and Liabilities</b>		<b>11,643,330</b>	<b>12,513,130</b>

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Revenue	7	16,687,762	17,806,002
Other income	8	2,199,974	2,537,502
Operating expenses		(19,296,955)	(18,185,763)
<b>Operating (deficit) surplus</b>		<b>(409,219)</b>	<b>2,157,741</b>
Investment revenue	9	311,148	289,450
<b>(Deficit) surplus before taxation</b>		<b>(98,071)</b>	<b>2,447,191</b>
Taxation	10	(128,196)	(185,188)
<b>(Deficit) surplus for the year</b>		<b>(226,267)</b>	<b>2,262,003</b>

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
Opening balance as previously reported	3,001,282	3,001,282
Adjustments		
Prior period error	1,112,077	1,112,077
<b>Balance at 01 April 2018 as restated</b>	<b>4,113,359</b>	<b>4,113,359</b>
<b>Surplus for the year</b>	<b>2,203,991</b>	<b>2,203,991</b>
Prior period error	58,012	58,012
<b>Balance at 01 April 2019 as restated</b>	<b>6,375,362</b>	<b>6,375,362</b>
<b>Deficit for the year</b>	<b>(226,267)</b>	<b>(226,267)</b>
<b>Balance at 31 March 2020</b>	<b>6,149,095</b>	<b>6,149,095</b>

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	8,233	3,155,377
Interest income		311,148	289,450
Tax paid	12	(316,134)	(112,739)
<b>Net cash from operating activities</b>		<b>3,247</b>	<b>3,332,088</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1,128,243)	(1,760,517)
Sale of property, plant and equipment	2	(1)	6,203
<b>Net cash from investing activities</b>		<b>(1,128,244)</b>	<b>(1,754,314)</b>
<b>Total cash movement for the year</b>		<b>(1,124,997)</b>	<b>1,577,774</b>
Cash at the beginning of the year		8,360,687	6,782,913
<b>Total cash at end of the year</b>	4	<b>7,235,690</b>	<b>8,360,687</b>

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Accounting Policies**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Trust Deed. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The annual financial statements are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Significant judgements and sources of estimation uncertainty**

**Critical judgements in applying accounting policies**

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

**1.2 Property, plant and equipment**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods and services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period

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

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

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:

The useful lives of items of property, plant and equipment have been assessed as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life (years)</b>
Workshop equipment	Straight line	5 - 18 years
Furniture and Fixtures	Straight line	6 - 10 years
Motor Vehicles	Straight line	5 - 25 years
Office Equipment	Straight line	5 - 9 years
Matresses and Bedding	Straight line	4 - 25 years
IT Equipment	Straight line	3 - 10 years
Climbing Tower	Straight line	6 - 25 years
Leasehold Improvements	Straight line	5 - 18 years
Communication Equipment	Straight line	5 - 18 years
Other Equipment	Straight line	5 - 25 years

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

**1.3 Financial instruments**

**Initial measurement**

The organisation classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Accounting Policies**

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### **1.3 Financial instruments (continued)**

Financial instruments are recognised initially when the organisation becomes a party to the contractual provisions of the instruments.

#### **Other financial liabilities**

Other financial liabilities are measured at amortised cost.

The trust derecognises financial liabilities when, and only when the trusts obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

Deferred income represents grant income in which the specified future performance conditions are have not been satisfied. Deferred income is measured at amortised cost.

#### **Trade and other receivables**

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

#### **Trade and other payables**

Trade and other payables are classified as financial liabilities and measured at amortised cost.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in fair value. These are initially and subsequently recorded at fair value.

### **1.4 Tax**

#### **Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### **Tax expenses**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### **1.5 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### **Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Accounting Policies**

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### **1.6 Impairment of assets**

The trust assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

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

### **1.7 Employee benefits**

#### **Short-term employee benefits**

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

### **1.8 Revenue**

Rental revenue is recognised in accordance with the policy on leases.

Government grants are recognised when there is reasonable assurance that:

- the trust will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as revenue over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as revenue in the period in which it becomes receivable.

#### **Measurement**

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### **1.9 Borrowing costs**

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

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Notes to the Annual Financial Statements**

**Figures in Rand** **2020** **2019**

**2. Property, plant and equipment**

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Matresses and bedding	596,396	(264,587)	331,809	641,796	(171,313)	470,483
Furniture and fixtures	1,054,815	(460,457)	594,358	848,597	(340,095)	508,502
Motor vehicles	1,435,137	(630,540)	804,597	1,435,137	(442,268)	992,869
Office equipment	71,626	(26,414)	45,212	71,626	(14,229)	57,397
Computer software	738,973	(356,506)	382,467	648,394	(269,799)	378,595
Leasehold improvements	1,136,058	(555,524)	580,534	856,667	(511,336)	345,331
Climbing tower	315,465	(215,776)	99,689	315,465	(195,850)	119,615
Workshop equipment	568,569	(431,329)	137,240	568,569	(387,757)	180,812
Other equipment	2,202,178	(1,007,745)	1,194,433	1,736,107	(781,293)	954,814
<b>Total</b>	<b>8,119,217</b>	<b>(3,948,878)</b>	<b>4,170,339</b>	<b>7,122,358</b>	<b>(3,113,940)</b>	<b>4,008,418</b>

**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Depreciation	Closing balance
Matresses and bedding	470,483	-	(138,674)	331,809
Furniture and fixtures	508,502	206,218	(120,362)	594,358
Motor vehicles	992,869	-	(188,272)	804,597
Office equipment	57,397	-	(12,185)	45,212
Computer software	378,595	104,262	(100,390)	382,467
Leasehold improvements	345,331	333,135	(97,932)	580,534
Climbing tower	119,615	-	(19,926)	99,689
Workshop equipment	180,812	-	(43,572)	137,240
Other equipment	954,814	484,628	(245,009)	1,194,433
	<b>4,008,418</b>	<b>1,128,243</b>	<b>(966,322)</b>	<b>4,170,339</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Matresses and bedding	117,824	446,103	-	(93,444)	470,483
Furniture and fixtures	540,742	65,568	-	(97,808)	508,502
Motor vehicles	496,164	586,957	-	(90,252)	992,869
Office equipment	17,574	43,332	-	(3,509)	57,397
Computer software	314,358	124,208	(6,203)	(53,768)	378,595
Leasehold improvements	265,897	147,624	-	(68,190)	345,331
Climbing tower	139,487	-	-	(19,872)	119,615
Workshop equipment	224,243	-	-	(43,431)	180,812
Other equipment	735,266	346,725	-	(127,177)	954,814
	<b>2,851,555</b>	<b>1,760,517</b>	<b>(6,203)</b>	<b>(597,451)</b>	<b>4,008,418</b>

**Chrysalis Academy Western Cape Trust**  
**Annual Financial Statements for the year ended 31 March 2020**  
**Notes to the Annual Financial Statements**

Figures in Rand	2020	2019
<b>3. Trade and other receivables</b>		
Trade receivables	42,997	5,233
Prepayments	-	9,900
Deposits	12,000	12,000
VAT	182,304	116,892
	<b>237,301</b>	<b>144,025</b>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	5,491	4,000
Bank balances	7,230,199	8,356,687
	<b>7,235,690</b>	<b>8,360,687</b>
<b>5. Deferred income</b>		
Department of Community Safety	4,000,000	4,000,000
Department of Social Development	-	214,468
Telkom	71,435	86,768
Community Chest	-	10,736
	<b>4,071,435</b>	<b>4,311,972</b>
The academy spent R15,929,872.09 of the allocation amount of R20,001,307.02 leaving a balance of R4,071,435 (2019: R4,311,972)		
<b>6. Trade and other payables</b>		
Trade payables	851,100	934,389
Income received in advance	-	28,276
Payroll accrual	-	91,477
Accrued Leave Pay	303,253	325,269
Deposits received	130,053	120,053
	<b>1,284,406</b>	<b>1,499,464</b>
<b>7. Revenue</b>		
Donations received	57,889	1,015,130
Donation CA Graduate Bursary	-	200
Other grants	1,226,069	1,222,497
Government grants	15,403,804	15,568,175
	<b>16,687,762</b>	<b>17,806,002</b>

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Figures in Rand	2020	2019
<b>8. Other income</b>		
Rental income	892,546	897,794
Recoveries	6,798	52,653
Registration fees	214,778	217,119
Facility income	975,444	1,314,120
Insurance claims	105,368	51,666
Staff birthday fund	5,040	4,150
	<b>2,199,974</b>	<b>2,537,502</b>
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Interest on bank account	311,148	289,450
<b>10. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - year	138,394	185,188
South African normal tax - prior period (over) under provision	(10,198)	-
	<b>128,196</b>	<b>185,188</b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting surplus and tax expense.		
Accounting (deficit) surplus	(98,071)	2,447,191
Tax at the applicable tax rate of 28% (2019: 28%)	(27,460)	685,213
<b>Tax effect of adjustments on taxable income</b>		
Exempt income	(5,992,652)	(5,157,891)
Dissallowable expenditure	5,344,289	4,962,970
Basic exemption	(325,784)	(288,861)
Prior year over provision of income tax	(10,198)	-
Deferred revenue not taxable	1,140,001	-
Tax effect of prior period error	-	(16,243)
	<b>128,196</b>	<b>185,188</b>
<b>11. Cash generated from (used in) operations</b>		
(Deficit) surplus before taxation	(98,071)	2,447,191
<b>Adjustments for:</b>		
Depreciation	966,322	597,451
Interest received	(311,148)	(289,450)
<b>Changes in working capital:</b>		
Trade and other receivables	(93,276)	4,298
Trade and other payables	(215,057)	111,972
Deferred income	(240,537)	283,915
	<b>8,233</b>	<b>3,155,377</b>

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<b>12. Tax paid</b>		
Balance at beginning of the year	(326,332)	(253,883)
Current tax for the year recognised in surplus or deficit	(128,196)	(185,188)
Balance at end of the year	138,394	326,332
	<u>(316,134)</u>	<u>(112,739)</u>

**13. Related parties**

Relationships

Trustees

MF Le Roux  
DH Pinnock  
DH Van Zyll  
NS Moeng

**Related party transactions**

**Grants received**

Department of Community Safety	14,167,000	14,429,585
Department of Social Development	1,236,804	1,103,590

**14. Remuneration of key management**

The trust paid remuneration to key management personnel in the current year of R2,447,382 (2019: R2,328,618)

**15. Prior period errors**

Management performed an assessment of useful lives at the beginning of the reporting period. During this assessment it was noted that various assets that are still in use had a net book value of R 1 in the current and prior year.

The accumulated depreciation and depreciation in the previous financial years were overstated as a result of the above. Management evaluated all assets across all asset classes and amended the useful lives of assets still in use.

The correction of the error results in adjustments as follows:

**Statement of Financial Position**

Property, plant and equipment	-	1,170,089
Opening retained earnings	-	(1,112,077)

**Surplus or Deficit**

Depreciation expense	-	(58,012)
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**16. Financial assets by category**

The accounting policies for financial instruments have been applied to the line items below:

**2020**

	Loans and receivables	Total
Trade and other receivables	54,997	54,997
Cash and cash equivalents	7,235,690	7,235,690
	<u>7,290,687</u>	<u>7,290,687</u>

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Figures in Rand	2020	2019
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**16. Financial assets by category (continued)**

**2019**

	Loans and receivables	Total
Trade and other receivables	17,233	17,233
Cash and cash equivalents	8,360,687	8,360,687
	<b>8,377,920</b>	<b>8,377,920</b>

**17. Financial liabilities by category**

The accounting policies for financial instruments have been applied to the line items below:

**2020**

	Financial liabilities at amortised cost	Total
Trade and other payables	981,154	981,154

**2019**

	Financial liabilities at amortised cost	Total
Trade and other payables	1,054,444	1,054,444

**18. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the trust to continue as a going concern is dependent on a number of factors. The most significant of these is that the trust continues to procure funding from the Western Cape Government in the form of the grant income, a long with other private sector grants.

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**Figures in Rand**

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**19. Events after the reporting period**

The trust notes the recent announcement made by President Cyril Ramaphosa on Monday, 23 March 2020 during which it was announced that the South African Government will be implementing a 21-day nation wide lockdown with effect from Thursday, 26 March 2020 until midnight on Thursday, 16 April 2020. On 09 April 2020 President Cyril Ramaphosa announced a further 2 weeks extension of the national lockdown to 30 April 2020 to curb the spread of COVID-19. The trust is committed to contributing to the prevention of the spread of COVID-19 and will comply fully with the measures announced by the South African Government.

The national lockdown requires all non-essential businesses and activities to be suspended, with people confined to their homes. The activities carried out by Chrysalis Academy Western Cape Trust is not considered an essential services in accordance with government legislation.

On 24 May, President Ramaphosa announced the easing of lockdown restrictions to level 3 commencing on 1 June 2020 which would enable the vast majority of the economic sector, to return to work.

The trust cannot estimate the length of gravity of the impact of the COVID-19 outbreak at this time or the impact it may have on the trust's results of future operations post 2020 fiscal year.

Management is however satisfied that the trust will continue to receive financial support from the Western Cape Government.

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