

ANNUAL REPORT 2012-2013

NG WELFARE
NORTH WEST AND GAUTENG

Faith, hope and love in action



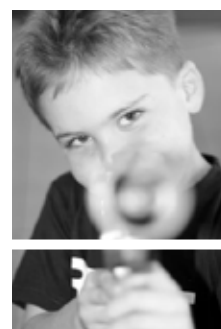


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NG WELFARE

NON-PROFIT COMPANY (NPC)

VISION:

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

MISSION:

NG Welfare is committed to deliver a comprehensive professional social welfare service.

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NG Welfare North West & Gauteng (trading as NG Welfare North West) is the NG Church's social welfare services in the North West Province and in the Vaal and West Rand regions of Gauteng. The focus is on individuals and families in need. The organisation has a well-established infrastructure with a proficient body of staff of approximately 600 persons at the 17 welfare offices, 9 homes for the elderly, 8 retirement housing projects for the elderly, 2 Child and Youth Care Centres (Children's Homes) and 12 Community Care service points.

NG Welfare North West and Gauteng is the registered welfare organisation (Section 13, Act 110/1978) of the Dutch Reformed Church's Synod of Western Transvaal (further referred to as NG Church).

Registrations:

- Registered Welfare Organisation (Section 13, Act 110/1978).
- Registered Non-Profit Company (Act 71/2008, as amended).
Registration No: 1995/008030/08.
- Registered Non-Profit Organisation (Act 71/1997).
Registration No: 002-059 NPO.
- Registered Public Benefit Organisation. (Section 30, Act 58/1962).
Registration No: PBO 930 003 679



MANAGEMENT

MESSAGE FROM THE MANAGING DIRECTOR



With pride, NG Welfare gladly reports on yet another year's fruitful labour. Our passion is people in need. Our Heavenly Father once more sent us to them during the past year.

Thanks to the involvement and financial support of our many donors, the NG Church as well as the State, we could achieve this assignment successfully.

The members of our staff are the strength of our organisation.

Excellent work was performed under difficult circumstances. Thanks to dedicated people that worked purposefully to alleviate other people's distress, excellent results were achieved with limited finances.

In our Child and Youth Centres, our Homes for the aged, our Family Care Centres and through our Community Services, special attention was given to literally thousands of people. What a privilege to be of service in this way and to fulfil our calling.

Many thanks go to our Board of Directors that saw to it that the different sections of the organisation remained linked together

and could function effectively. Effective management, which includes financial management and risk management, as well as the ethics of our work were constantly checked here. Particular attention was given to the promotion of the organisation's sustainability and to the encouragement of transparent modus operandi.

Head Office Staff, all the managers of our institutions, as well as the administrative staff and every other member of staff saw to it that we could work through this year successfully. It is with great thankfulness to our Heavenly Father that we could get so much done with so few sources and resources.

Without the volunteers from the community that assisted us with our work at different levels, we would never have reached success.

Let each number in the report therefore tell you a special story about each one that cared, reached out and actively helped. This was work to the glory of Christ's Kingdom.



Anton Mocke

Managing Director: NG Welfare North West

MANAGEMENT AND LEADERSHIP Board of Directors

The Board of Directors meets quarterly. The Board is constituted by five members of the Committee for the Ministry of Caring, of the Synod of Western Transvaal, who along with other experts and co-opted members, form the Board of Directors of NG Welfare.

The Board of Directors consists of eleven members, of whom the majority, namely eight, are non-executive.

The latter members, including the chairperson, are independent of the core business and daily management of the Company. Six of the members are ministers in the NG Church.

Each member of the Board of Directors represents a specific region within the Synod of Western Transvaal or is an expert in a special field of service. The non-executive members' independence is evaluated annually.



Front: Rev Ben Botha, rev Anton Mocke, rev Fanie du Plooy, Mrs Shirley Theron.

Back: Adv Johan Pretorius, Mr Anderton Smith, Dr Arnold Smith, Prof Anton du Toit en rev Nico van Rensburg. **Absent:** rev Cobus Niemand and rev Coenraad Smit.

The Board of Directors of NG Welfare comprises the following persons:



Rev Coenraad Smit (53)

BD, Postgraduate Diploma in Theology
Chairperson
Date of entry: 08/11/2000
Member: Advisory Board NG Welfare Krugersdorp



Rev Nico van Rensburg (59)

BA, Postgraduate Diploma in Theology,
Postgraduate Diploma in Marketing
Co-opted member (Chief Executive Of-
ficer: Synod Western Transvaal)
Date of entry: 12/03/2000
Chairperson: Advisory Board
NG Welfare Randfontein
Trustee: Ministers' Pension Fund of
the NG Church in Transvaal



Rev Fanie du Plooy (58)

BA, BD, Postgraduate Diploma Theology
Vice-Chairperson and Representa-
tive POTCH-KOSH-region
Date of entry: 14/11/2005
Chairperson: Advisory Board
NG Welfare Klerksdorp



Adv Johan Pretorius, (58)

BJuris, LLB
Practising Advocate of the High
Court of South Africa
Co-opted member: Legal Expert
Date of entry: 17/8/2009
Chairperson: Advisory Board Abraham
Kriel Child and Youth Care Centre
Other Directorships: Director North West
Cricket, Trustee of several Family Trusts



Rev Anton Mocke (61)

BA, BTH, MDiv
Managing Director NG Welfare
Date of entry: 12/09/1995
Date of Appointment as Manag-
ing Director: 1 Aug 2006
Minister: Ministry of Caring - NG Church
Synod of Western Transvaal



Prof Anton du Toit (54)

BA, BCompt, Hons BCompt, MCom, MInst.D,
CA (SA), Registered Auditor (RA)
Co-opted member: Financial Expert
Date of entry: 09/11/2009
Other Directorships: Senior Management
Committee Monash South Africa; Direc-
tor of Horwath IT Services (Pty) Ltd.



Rev Ben Botha (54)

BA, BD, Postgraduate Diploma in Theology
Representative: Rural region
Date of entry: 19/11/2007
Chairperson: Advisory Board
NG Welfare Lichtenburg



Mrs Shirley Theron (58)

BA (SW), BA (SW) Hons, MDIac
Registered Social Worker
Advisory member: Welfare Manager NG Welfare



Rev Cobus Niemand (49)

BA, BD, Postgraduate Diploma in Theology
Representative Vaal Region
Date of Entry 12/11/2012
Chairperson: Advisory Board NG
Welfare Vanderbijlpark



Mr Anderton Smith (41)

BCom
Advisory member: Financial Manager NG Welfare



Dr Arnold Smith (59)

BA, BA Hons, BD, MDiv. PhD
Representative: West Rand Region
Date of Entry: 12/11/2012
Chairperson: Advisory Board
NG Welfare Roodepoort

Advisory Boards

Each branch of the service is managed locally with the assistance of community advisory boards. Participation at local level is promoted in that these boards comprise representatives of congregations, the broad community, experts, volunteers, staff and other co-workers.

Staff

Members of staff assigned to the Head Office are the Managing Director, Welfare Manager, Financial Manager, an accountant, a liaison officer and an administrative official. General management of the welfare offices in the two provinces is respectively managed by a provincial manager for North West and another for Gauteng's West Rand- and Vaal Regions. The latter also manages Emanang Nokeng Community Work Services.

Each residential facility for elderly persons has an own manager and is assisted by the supervisor assigned by Head Office for elderly care services. The Child and Youth Care Centres each have their own manager.

General management functions, staff administration, financial control as well as internal and external communication functions are dealt with by these staff.

At NG Welfare's 17 welfare offices, 45 social workers are employed at the organisation, as well as 4 social auxiliary workers, 15 administrative officials and 9 general assistants. Combined, the two Child and Youth Care Centres have 6 social workers, 24 child care workers, 8 administrative members of staff, 46 domestic staff and 1 centre has a marketer.

Gembou Community Centre in Roodepoort has in its employ 1 administrative assistant, 2 child care workers and 3 general assistants. Emanang Nokeng Community Work Services has: 1 social worker in Vanderbijlpark, 1 social auxiliary worker in Ver-eeniging, as well as 3 social workers and 1 community development worker at the West Rand.

Combined, the 9 facilities for older persons have in their employ: 69 registered nurses; 178 enrolled nurses, assistant nurses and health care workers; 153 domestic personnel; 15 administrative members of staff; 1 social worker and 1 social auxiliary worker.

SERVICE DELIVERY

FAMILY CARE SERVICES

Objectives

- To strengthen family life, counteract disfunction and to improve the general well-being of families by:
 - Rendering services to families where children's safety and well-being is possibly endangered.
 - Rendering Support services to families with children in foster care.
- To protect vulnerable children, orphans and other children in risk situations by:
 - Presenting programmes in the community that prevent neglect, exploitation, maltreatment or insufficient supervision of the children.
 - Rendering therapeutic, support and/or care services to children identified as being vulnerable or exposed to high-risk situations. Such services aim to prevent these conditions from worsening further and children being removed from their parents' care.
 - Protecting and safeguarding children by means of authority as granted by the Children's Act.
 - Supervising children that are safeguarded and placed in foster care.

- To implement programmes that unlock the maximum potential of staff and volunteers so that sustainable services of high standards can be rendered to address the social adversity in the community.

Nature and extent of Service Delivery

In 2012/2013 a total of 15 750 persons were reached by means of extended as well as short-term service delivery. Of these, 7 815 (49.6%) were children and of the persons reached 2 790 (18 %) were Dutch Reformed Church members.

A decline in client numbers was experienced compared to the previous year. It can probably be ascribed to a shortage in social workers, which is generally experienced. When posts became vacant, fewer new cases could be accepted; hence it necessarily led to a decrease in client numbers.

In spite of this, social workers experienced that the intensity and complexity of cases had increased seriously.

Lack of resources, especially concerning support systems for teens and children with psychiatric problems, is still posing a huge challenge to social workers.

A further 2 432 people were also reached by means of once-off contacts. This consultation service should not be underestimated. It is a way in which the general public is reached. Members of the public could for instance direct general enquiries to the family care offices regarding, amongst others, adoptions, reporting of neglect or maltreatment, or referrals of older persons to residential facilities. Many enquiries were also received at NG Welfare's Head Office via electronic media such as e-mail, NG Welfare's website and Facebook page, and which were then referred to the appropriate offices or other resources.

The social workers completed 133 Children's Court cases. Although the number of clients reached has declined, the number of Children's Court cases has increased - 201 children were safeguarded in this manner. Most of the children (161) were placed in foster care in the community. Only 26 of the children were placed in Children's Homes, now known as Child & Youth Care Centres and 6 in Care Centres with special programs and which was previously known as Industrial Schools. This accentuates the importance of foster parents – especially for teens.

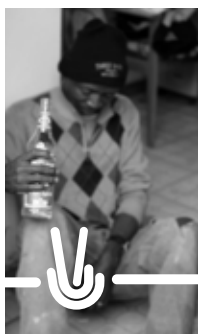
Eight children were conditionally returned to the care of their biological parents. This means that the parents then had to comply with certain requirements set by the Children's Court order and that the family has to follow a specific treatment plan.

Foster care supervision services form an important aspect of the social worker's task. During 2012/2013, foster care supervision services were rendered to 1 704 families. In total, 2 268 children were placed in foster care, of whom 161, as mentioned earlier, were placed in foster care in the course of the past year.

Family reunification services are those services rendered to families in which the children had been placed in alternative care. Services then also had to be rendered to the parents in an attempt to improve the family's circumstances such that those children could possibly be placed back in the parents' care. Family reunification services were rendered to 559 families. Social workers conducted 21 groups of a therapeutic nature as well as 11 community projects for their registered clients. The services of 503 volunteers were used.

TRENDS:

- Poverty and insufficient means of livelihood.
- The disintegration of family life due to marital problems and family conflict (this includes marital and family violence).
- A considerable increase in reporting of child molesting, abuse and neglect. The children involved are increasingly younger and the nature of the cases more serious. Children are also increasingly involved in mutual molesting.
- The number of teen pregnancies, uncontrollable children and children abusing alcohol and drugs is increasing.
- Parental skills are poor.
- Caring for orphans (especially due to the HIV and Aids problem) is becoming a dilemma. The ages of grandparents that have taken over the care of their grandchildren are becoming advanced. Their skills in controlling teenagers are poor, their energy is fading and their mortality rate is increasing, which once more leaves the children orphaned. Other family members are not always available to take over their care and the oldest school-going child must then head the family - often taking care of the younger siblings, without having the means of livelihood or skills.
- For cases of a serious nature, few facilities are available or persons prepared to take children in temporary safe care prior to the completion of Children's Court proceedings.
- Specialist services such as forensic assessments and specially trained therapists have to be obtained at a high cost.
- Alternative care in applicable care centres is not available everywhere. Child and Youth Care Centres are fully occupied and there are very few suitable safety and foster parents. Children that present with serious problem behaviour, especially teens, are also difficult to place since it often has a negative effect on the other children.





1. INCREASED POVERTY
2. INCREASED DISINTEGRATION OF FAMILY LIFE
3. A CONSIDERABLE INCREASE IN CHILD MO-
LESTING, ABUSE AND NEGLECT
4. INCREASE IN TEEN PREGNANCIES AS WELL
AS ALCOHOL AND DRUG ABUSE
5. PARENTAL SKILLS ARE POOR

6. CARING FOR ORPHANS IS BECOMING A DILEMMA
7. TOO FEW PLACES OF SAFETY FOR SERIOUS CASES.
8. SPECIALIST SERVICES HAVE TO BE OB-
TAINED AT HIGH COST
9. ALTERNATIVE CARE IN APPROPRIATE CARE
CENTRES IS NOT READILY AVAILABLE

EMANANG NOKENG COMMUNITY WORK SERVICES

Emanang Nokeng Community Work Services of NG Welfare reaches out to people in the broader community, who are mostly not on the case load of a welfare organisation. Groups in the community are mobilised and empowered to address problems in the community by themselves. The main aim is to improve the community's general quality of life. Hence community work focuses on early identification and prevention of social problems. In this way 244 projects were launched and in so doing, 11 654 people were reached.

A variety of programmes were presented. The focus was on the prevention and alleviation of poverty, protection of vulnerable groups such as children and women as well as on the impact of HIV and Aids on people's lives. The aim was directed at development, empowerment, education, awareness or social change. Examples of such programmes are income-generating projects such as learning handicraft skills and vegetable gardening. Role-players in the community were also mobilised to fight the social problems, such as HIV, Aids and child neglect in their communities, by themselves. NG Welfare was thus involved in mentorship programmes at several day-care centres

for neglected, poor or orphaned children, as well as for children affected by tuberculosis, HIV and Aids.

Thanks to funding from the Global Fund, NG Welfare could provide a new dimension to the quality of these programmes launched in the community. This made it possible to deploy 5 volunteers that could render home-based care and 6 volunteers that could act as child care workers in the community.

Important preventive work was done by means of feeding programmes as well as projects conveying life skills which especially taught children and youths how to protect themselves against social problems and crime. Examples are holiday projects and activities during National Child Protection Week, National Women's Day and the International day for HIV and Aids.

Awareness campaigns regarding the services NG Welfare renders and also the services of other role-players in the community fulfilled an important role. Especially in rural areas the communities were not always informed about the resources available to them to improve their living conditions, or how to avail themselves of it.



CHILD AND YOUTH CARE CENTRES (formerly known as Children's Homes)

At times, reasons exist why children cannot stay on at their parental homes. Destitute children or children that had to be removed from their parental homes due to specific reasons in terms of the Children's Act, could be admitted to NG Welfare's Child and Youth Care Centres. These children usually were exposed to serious traumatic circumstances and could thus be given a safe environment in which healthy emotional development was made possible. Apart from the security of a safe and comfortable refuge, they could also receive therapy from a multi-professional team and be equipped with life skills so that they can further develop into well-adapted adults. Due to the programmes many of them could obtain access to special services, acquire skills or avail themselves of the opportunity of reaching special heights through academic stimulation or such as obtaining participation nationally or even internationally through sport, thus developing their full potential.

The Abraham Kriel Child and Youth Care Centre in Potchefstroom and the Catherine Robson Child and Youth Care Centre in Vereeniging accommodate children from the North West and Gauteng Provinces respectively. A total of 293 children were cared for in these institutions during 2012/2013. Twelve out-reach programmes were also presented by these Centres by means of which 470 persons were reached.

Several special programmes were made possible by the 174 volunteers involved at these institutions. The community service rendered annually by German students at the Abraham Kriel Child and Youth Care Centre is of incalculable value. Similarly, volunteers at the Catherine Robson Child and Youth Care Centre present, amongst others, reading classes and extra Mathematics classes whilst different students do their internships at the two institutions and contribute to the success of the service through group work and therapeutic sessions.

Trends:

- A lack of other placement possibilities pressurises Child and Youth Care Centres to accommodate children with serious behavioural problems. The centres do not always have appropriately trained staff to be able to render such service.
- When children are indeed admitted that later manifest with serious behavioural problems or even psychiatric problems, it places an additional burden and responsibility on staff and also negatively influences other children in the institution.
- Moving or transferring above-mentioned children to other more appropriate and specialised programmes is extremely difficult, because no specialised resources or alternative care exists for them.
- Very few children are placed back in the care of their parents due to the fact that the parents could not rehabilitate or improve their own circumstances to such a degree that they could make it possible.



- **A LACK OF PLACEMENT POSSIBILITIES PRESSURISES CHILD AND YOUTH CARE CENTRES**
- **CHILDREN WITH SERIOUS BEHAVIOURAL OR PSYCHIATRIC PROBLEMS NEGATIVELY INFLUENCE OTHER CHILDREN AND STAFF**
- **LACK OF SPECIALISED PROGRAMMES FOR CHILDREN WITH SPECIAL NEEDS**
- **PARENTS COULD NOT REHABILITATE – VERY FEW CHILDREN PLACED BACK IN THEIR CARE**



SERVICES TO OLDER PERSONS

NG Welfare's 9 residential care facilities for older persons provide for the care of frail older persons and also offer housing facilities for self-supporting older persons. Huis Delarey in Delareyville has been incorporated in NG Welfare since August 2012 and NG Welfare has taken over full ownership and responsibility of this former community initiative.

A total of 943 people were accommodated in the facilities during the course of the year of which 481 were financially self-sufficient and 462 were impoverished older persons. The costs attached to housing the last-mentioned group were covered by means of State subsidies, donations, sponsors and the yields of fund-raising actions. Accommodation and care was also provided to 66 adult disabled persons younger than 60 years. The average unit cost at the different institutions amounted to approximately R4 800 per month.

The majority of homes for older persons also provide self-catering units in which self-supportive older persons can live and still lead an independent life in a safe environment. This appears to be a great need amongst older persons and thus some of the homes transformed available space into self-catering units; hence the growth so that 674 elderly persons could be accommodated there in the course of the past year.

Several homes were also actively involved in outreach projects aimed at assisting indigent older persons still living in the community. Approximately 15 such projects were offered and 989 persons were reached through this initiative. These services included day care services, home based care, material assistance and the utilisation of available community resources.

Each home pursues programmes to promote active aging in order to keep older persons active and/or constructively busy during the day. These activities include church services, creativity sessions, concerts and performances, outings, physical exercises and board games. Approximately 276 volunteers were involved in the programmes.

Problems/trends that influence service delivery at residential facilities for older persons:

- A limited budget and a shortage of qualified nursing staff pose exceptional challenges to the management in an extremely competitive market. The private sector attracts available medical staff with larger compensation packages and NG Welfare's homes find it impossible to compete with it.
- Some older persons are terribly lonely or do not have sufficient means and are exceptionally dependent on the help of family members. Unfortunately the trend is increasingly observed that families leave their elderly parents to their own fate and in no way contribute financially towards the care of their parents. Often the children of the elderly parents also are older than 65 years and pension-dependent themselves, which brings about that the home has to try to raise funds from the already over-utilised environmental resources to assist in covering the unit cost regarding the care of impoverished older persons.



- **A SHORTAGE OF QUALIFIED NURSING STAFF**
- **COMPETE WITH PRIVATE SECTOR OFFERING LARGER REMUNERATION PACKAGES**
- **FAMILIES UNSUPPORTIVE AND LEAVE OLDER PERSONS TO THEIR OWN FATE**



Needs list

NG Welfare can extend the effect of their service delivery by means of the support listed below:

- **Donations *in natura***
 - Donate food and especially non-perishable food to the different Family Care Offices, Child and Youth Care Centres and Homes for Older Persons
 - Donate clothing and also second-hand clothing for impoverished persons
 - Donate educational toys for children in Day Care Centres and Child and Youth Centres.
- **Financial contributions:**
 - Support the SMS initiative of the Family Care Services by sending the word BLESS to 48900 via an sms at the cost of R10 per sms.
 - Assist in partly covering an impoverished elderly person's accommodation costs by means of a sponsorship.
 - Donate a monetary contribution – donations to NG Welfare are tax deductible and a Section 18A certificate can be issued by NG Welfare's Head Office, the Family Care Services and Child and Youth Centres.
 - Support a project financially as part of your undertaking's Corporate Social Responsibility Programme. Funders can earn BEE points for funding institutions based on our initiatives concerning socio-economic development.
- **Volunteers:**
 - Offer to be screened as safety and foster parents to children that cannot be cared for by their parents
 - Make yourself available to children in Child and Youth Centres, as weekend and holiday parents
 - Visit and support lonesome elderly people in Residential Care Facilities for Older Persons
 - Report at branches of NG Welfare and offer assistance regarding administrative tasks, answering the telephone, assistance with packaging or handing out food or transporting clients
 - Offer professional skills regarding general maintenance to buildings, cars or equipment at all the branches
 - Assist in launching fund raising projects
 - Offer special skills to assist in empowering clients
- **Specialist Services**
 - Make available medical, legal, psychological services, occupational or speech therapy or other specialised services at lowered tariffs
- **Intercession by prayer**
 - Pray regularly for the staff of NG Welfare
 - Dedicate each client of NG Welfare's extensive service network to the Lord's care.



CORPORATE GOVERNANCE

The Board of Directors subscribes to the best practice and principles as contained in the King Code of Governance for South Africa in the King III Report. The Board of Directors regularly monitors compliance in order to ensure continuous improvement of the managerial and corporate practices and that the operations of the Company are managed transparently and with integrity.

The recommendations of the King III report are applied in as far as it is applicable to non-profit companies and as defined and qualified below. The new Companies Act, Act No. 71 of 2008 (the new Act) was applicable from 1 May 2011 and the Board of Directors continuously ensures compliance herewith within the set timeframes.

Ethical leadership and corporate citizenship

The Company and its Board of Directors comply with and subscribe to the strictest ethical values, and fully practise corporate citizenship, especially in the field of social services delivered. The Company and the Board of Directors meet all legal requirements and other regulatory requirements, codes and standards. Not all of these processes have as yet been formally documented and issued as policy and procedures, but these will be implemented by the Board of Directors in the foreseeable future.

Board of Directors

The Board of Directors and the governance and management structure is portrayed elsewhere in the report.

The Risk Committee met on 25 February 2013. All risk management processes (currently being managed informally) will also be formalised in the foreseeable future, for both general risks and IT control risks. No unusual or unexpected risks were taken in performing the company's activities; thus neither was any accompanying material losses incurred.

A Social and Ethics Committee meeting was held on 25 February 2013. During this meeting a basic framework for the terms of reference was compiled and accepted as a working document.

Due to the nature of its activities and the non-commercial nature thereof, the Board of Directors does not feel the need to rotate directors regularly and thus also does not need a Nomination Committee. No remuneration is paid, except the salary of the Managing Director and top officials; hence no remuneration committee and remuneration policy and performance bonuses are under discussion. No remuneration of the Managing Director and top officials are disclosed due to the non-profit aspect of the welfare services rendered.

Informal training takes place regularly during board meetings. No formal training programme for Directors or any formal performance assessment exists as yet. These aspects will receive attention in the coming year. Once more, because the company is

involved in charity, funds are limited and rather spent on the core business.

Sustainability and integration

This annual report is presented as an integrated report that addresses the annual financial statement figures as well as the social, environmental and economic aspects. Due to the nature of activities, a large part of this report is dedicated to the social services rendered to the wider society.

Due to costs involved and the focus on the spending of funds on welfare work, none of the sustainability aspects are subjected to an audit or assurance engagement.

Informal training sessions are regularly held during board meetings. The sustainability of activities forms a huge part of the focus of the Board of Directors and top management. Due to the welfare and non-profit nature of activities, the company is largely dependent on donations, as well as church and government support; thus no guarantee of continued support exists. In spite of this, the company worked very responsibly with its financial matters and has thus also already placed large funds on fixed investment.

Stakeholder Relationships

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



REPORT BY THE AUDIT COMMITTEE

We hereby present our report for the financial year ended February 28, 2013 to the Board of Directors. The Audit Committee is an independent committee, appointed by the Board of Directors, which also delegates duties and responsibilities to the Committee.

The Audit Committee is of the opinion that this report meets the requirements of the Companies Act (Act 71 of 2008, as amended) and all the material recommendations of the King Code of Governance for South Africa (King III, 2009). The audit committee's duties were formalised in a charter that had been

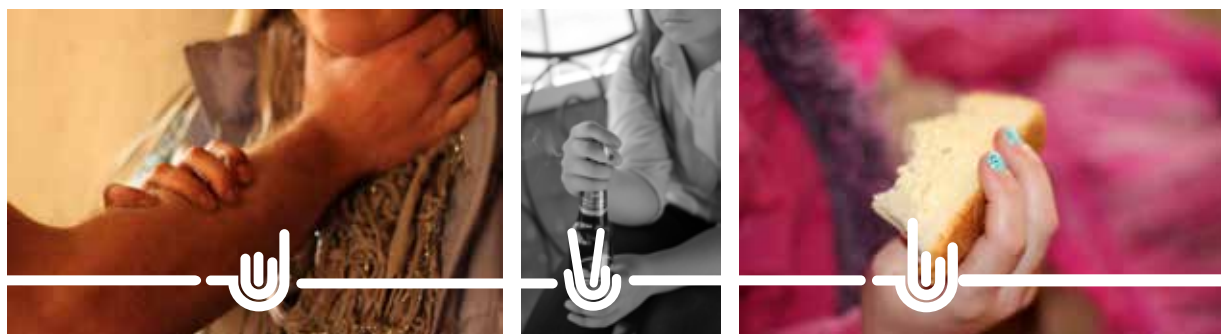
approved by the Board of Directors. Since its inception the Audit Committee has managed its activities in accordance with the charter and discharged its responsibilities as contained in the charter.

The audit committee is an independent committee of the Board of Directors and consists of three independent Non-Executive Directors. The Committee meets at least twice per annum, as required by the charter. The Audit Committee meetings during the year under review were the following and were attended as follows:

Member	10 Aug 2012 (electronically)	12 Nov 2012	18 Feb 2013
Anton du Toit (chairperson)	Present	Present	Present
Andries van Rooyen	Present	Resigned	
Arnold Smith		Present	Present
Ben Botha	Present	Absent	Present

The Audit Committee is responsible for:

- The nomination of the registered independent auditor;
- The assessment of the independence of the registered independent auditor;
- An overview of all matters pertaining to the appointment, audit fees, completion and closing of the independent audit;
- The overview of the annual financial statements prior to submission to and approval by the Board of Directors, taking into consideration the going-concern status of the Company;
- The revision of the annual report and all sustainability matters prior to submitting it to the Board of Directors;
- Maintaining a proper risk management process and collaboration with the Risk Committee to ensure that an active overview and monitoring process is in place;
- Monitoring the internal audit function;
- Monitoring a proper internal control system; and
- Monitoring the processes and procedures concerning ethical behaviour within the Company.



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

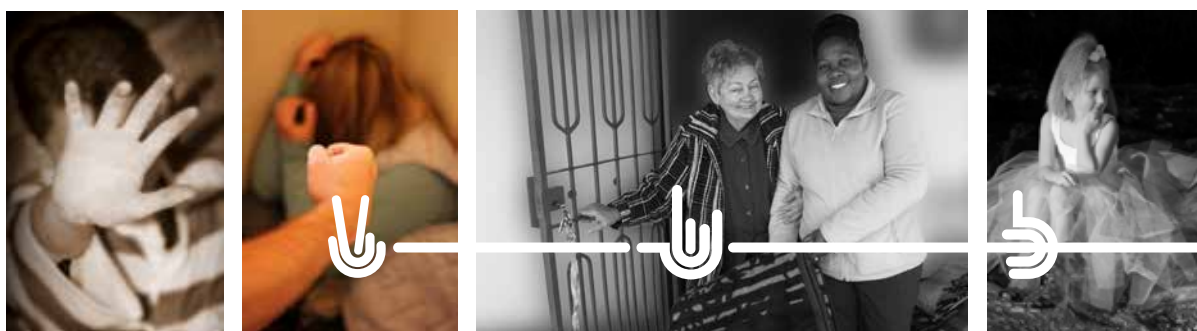
- The registered auditor is indeed independent;
- The annual financial statements have been evaluated and recommended to the Board of Directors (the audit report and the accounting policy and compliance with the International Financial Reporting standards have been emphasized);
- The going-concern status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

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

No violations of the law or material ethical issues had come to light during the period under review.

Anton du Toit
Chairperson of the Audit Committee

8 August 2013



FUNDERS AND PARTNERS

NG Welfare was funded by the Department of Social Development in North West and Gauteng as well as the Synod of Western Transvaal. Several donors, institutions (e.g. the NLDTF – National Lottery Distribution Trust Fund, and Global Fund) also contributed financially to assist in carrying the costs of programmes. In addition, NG Welfare's branches also launched several fund-raising functions throughout the year so as to balance their budgets. It is an enormous responsibility on the shoulders of staff that already suffer under a heavy workload, and it also is extremely time consuming. With a view to sustainability, fund raising places an increasing obligation on the Advisory Boards and staff.

ACKNOWLEDGEMENTS:

NG Welfare wishes to acknowledge each and every individual that assisted in alleviating the organisation's burden; partners, foster parents, specialist services, volunteers, etc.

Many thanks to:

- Each congregation of the NG Church in Western Transvaal that promotes this service by means of financial contributions, support and involvement.
- Each congregation member and donor that alleviates the burden of the staff through their participation, volunteer services or donations.
- The Department of Social Development and the NLDTF (National Lottery Distribution Trust Fund) for their financial support.
- The extremely dedicated, loyal and proficient staff at all the branches of NG Welfare North West and Gauteng who, in such an unselfish manner, bring hope and light where it is lacking.



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA



The Global Fund
To Fight AIDS, Tuberculosis and Malaria



NG WELFARE NORTH WEST
(Registration Number 1995/008030/08)
Annual Financial Statements for the year ended 28 February 2013

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

ENTITY TYPE

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

DIRECTORS

South Africa

Non-Profit Company

Welfare Services

Botha, B.C. Du Plooy, A.S.

Du Toit, A. Mocke, A.J. Niemand, H.J.

Pretorius, J.J. Smit, C.D.

Smith, H.A. Van Rensburg, N.W.J.

104 Peter Mokaba Avenue

Potchefstroom 2531

ABSA

Philip Miller & Co

3A Olen Avenue

1st Floor, Philip Miller Building

2531

www.ngwelsyn.co.za

REGISTERED OFFICE / BUSINESS ADDRESS

BANKERS

AUDITOR

WEBSITE

ABRIDGED FINANCIAL STATEMENTS 2012/2013



PHILIP MILLER & CO.



REGISTERED AUDITORS / GEREGISTREERDE OUDITEURE
PRACTICE NUMBER – 03045752
KRAUSE VAN DER WALT CA (SA) Ph.D. – SAICA 00247961 / IRBA 584177
GERALDINE SMUTS CA (SA) M.COM. – SAICA 08184011 / IRBA 837558

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Independent auditor report

To the Members of NG WELFARE NORTH WEST NPC

We have audited the annual financial statements of NG WELFARE NORTH WEST NPC which comprise the directors' report, the statement of financial position as at 28 February 2013, the statement of comprehensive income, the statement of equity and statement of cash flows for the year then ended, a summary of significant policies and other explanatory notes as set out in the audited annual financial statements.

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

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 misstatements, whether due to fraud or error.

Auditor's responsibility

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

Philip Miller & Co

12 August 2013

Per: GM Smuts
Registered Auditor
Partner

Olen Laan 3A, 1st Floor, Philip Miller Building
Potchefstroom
2531

Directors' responsibilities and approval

The directors are required by the South African Companies Act to maintain adequate accounting records to enable the company to satisfy all reporting requirements applicable to it and provide for the proper conduct of an audit. The accounting records required to be kept by the Act and this regulation must be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. 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 and the external auditor, 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 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 financial statements support the viability of the company.

The financial statements have been audited by the independent auditing firm, Philip Miller & Co., 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 auditor's unqualified audit report is included in the audited annual financial statements that should be considered in conjunction with the abridged annual financial statements presented here.

The abridged annual financial statements as set out on pages 5 to 13 were approved by the Board on 12 August 2013 and were signed on its behalf by:



Directors



Directors

Statement of Financial Position as at 28 February 2013

Figures in R	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	47,168,321	38,437,249
Investments	31,953,426	23,448,075
	79,121,747	61,885,324
Current Assets		
Inventories	310,491	331,307
Trade and other receivables	3,779,334	2,542,240
Cash and cash equivalents	3,614,618	2,836,326
	7,704,443	5,709,873
Total Assets	86,826,190	67,595,197
Equity and Liabilities		
Equity		
Special trust funds and reserves	27,778,278	18,477,866
Retained earnings	17,045,149	13,719,144
	44,823,427	32,197,010
Non-Current Liabilities		
Borrowings / Long term liability	37,567,008	33,310,279
Current Liabilities		
Trade and other payables	4,435,755	2,087,908
Total Equity and Liabilities	86,826,190	67,595,197



Statement of Comprehensive Income

Figures in R	2013	2012
Revenue	75,817,596	69,362,286
Operating costs	(78,614,565)	(70,690,223)
Operating deficit	(2,796,969)	(1,327,937)
Finance income	960,262	778,867
Finance costs	(822)	-
Deficit for the year	(1,837,529)	(549,070)

Statement of Changes in Equity

Figures in R	Special Trust Funds & Reserves	Retained earnings	Total
Balance at 1 March 2011	18,477,866	14,268,214	32,746,080
Total comprehensive deficit for the year	-	(549,070)	(549,070)
Balance at 29 February 2012	18,477,866	13,719,144	32,197,010
Balance at 1 March 2012	18,477,866	13,719,144	32,197,010
Total comprehensive deficit for the year	-	(1,837,529)	(1,837,529)
Adjustments	8,583,998	5,879,949	14,463,946
Transfer to reserves and funds	716,414	(716,414)	-
Balance at 28 February 2013	27,778,278	17,045,149	44,823,427



Statement of Cash Flows

Figures in R	2013	2012
Cash flows from operating activities		
Deficit for the year	(1,837,529)	(549,070)
Adjustments for:		
Finance costs	822	-
Depreciation of property, plant and equipment	1,314,709	1,394,237
Investment income	(960,262)	(778,867)
Non-cashflow item	-	636,410
Decrease in inventories	20,816	113,332
(Increase)/decrease in trade and other receivables	(1,237,094)	55,632
Increase/(decrease) in trade and other payables	2,347,847	(1,187,907)
Cash utilised in operating activities	(350,691)	(316,233)
Interest received	955,479	778,867
Finance costs	(822)	-
Dividends received	4,783	-
Net cash from operating activities	608,749	462,634
Cash flows from investing activities		
Property, plant and equipment acquired	(10,153,969)	(28,082,028)
Proceeds on disposals of property, plant and equipment	108,188	79,070
Proceeds on disposals of investments	(8,505,351)	-
Other	14,463,946	-
Net cash utilised in investing activities	(4,087,186)	(28,002,958)
Cash flows from financing activities		
Loans raised	4,256,729	22,868,211
Net cash generated by financing activities	4,256,729	22,868,211
Increase in cash and cash equivalents	778,292	(4,672,113)
Cash and cash equivalents at beginning of the year	2,836,326	7,508,439
Cash and cash equivalents at end of the year	3,614,618	2,836,326

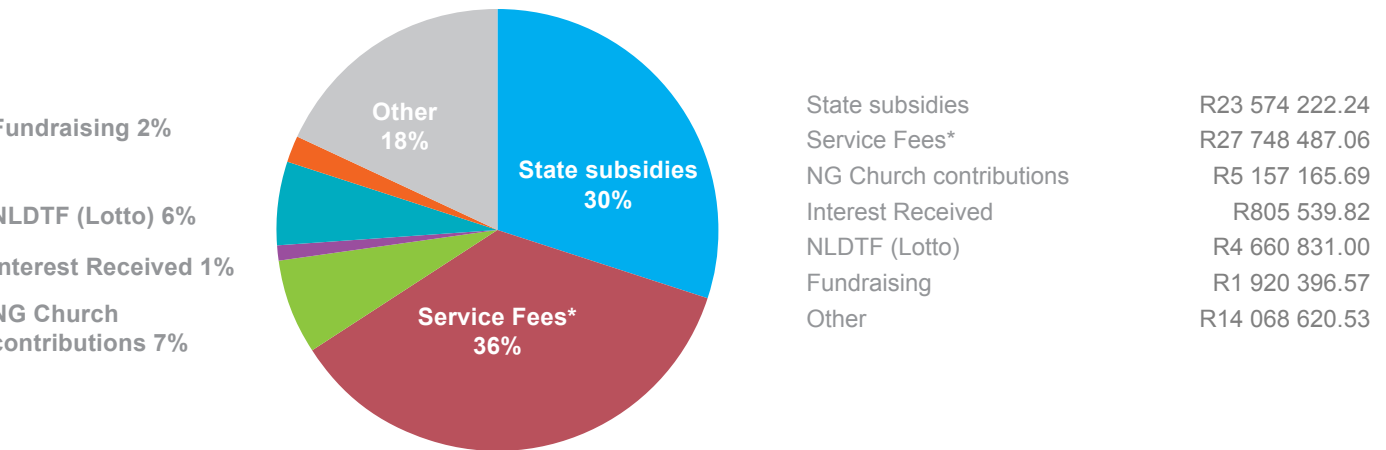
Notes to the Abridged Annual Financial Statements

1. The Abridged Annual Financial Statements

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

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

Consolidated income distribution



State subsidies	R23 574 222.24
Service Fees*	R27 748 487.06
NG Church contributions	R5 157 165.69
Interest Received	R805 539.82
NLDTF (Lotto)	R4 660 831.00
Fundraising	R1 920 396.57
Other	R14 068 620.53

* Residential facilities for Older Persons

