DRAKENSTEIN PALLIATIVE HOSPICE NPC
(Registration number 1999/015481/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Contents

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

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008, as amended.

Preparer

These annual financial statements are prepared by LDP Compliance Proprietary Limited with assistance from A Niemand.

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa No. 71 of 2008, as amended, 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 company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.The external auditor is engaged to express an independent opinon on the annual financial statements

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

The 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 of directors 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 directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 5 to 21, which have been prepared on the going concern basis, were approved by the board of directors on .27/09/2019......... and were signed on its behalf by:

Director

Independent Auditor's Report

To the members of Drakenstein Palliative Hospice NPC

Qualified opinion

We have audited the financial statements of Drakenstein Palliative Hospice NPC set out on pages 6 to 19, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other 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, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Drakenstein Palliative Hospice NPC as at 31 March 2019, 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 Companies Act of South Africa No. 71 of 2008, as amended.

Basis for qualified opinion

In common with similar types of organisations, it is difficult for the organisation to institute accounting controls over the issue of donations received and cash collections from the general public as funds to maintain operations, prior to the initial entry of collections in the accounting records. Accordingly, it was there for impractical for us to extent our examination beyond receipts actually recorded in the financial records. The completeness, accuracy, occurrence and cut-off of revenue, other income and corresponding cash and cash equivalents could therefore not be verified and hence we have no other choice than to qualify our opinion thereon.

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 qualified opinion.

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 No. 71 of 2008, as amended, which we obtained prior to the date of this report. The other information provided on pages 20 to 21 is not included in the 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 directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended, 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 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 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.

LDP Inc.

LDP Inc.
Registered Auditor
W van Zyl
Director

Stellenbosch
Date:.....27/09/2019.........

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Drakenstein Palliative Hospice NPC for the year ended 31 March 2019.

1. Nature of business

Dakenstein Palliative Hospice NPC was incorporated in South Africa and is engaged in the provision of palliative care in the Drakenstein municipal area and operates in South Africa.

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

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 and the requirements of the Companies Act of South Africa No. 71 of 2008, as amended. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

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

Name
GJ Erasmus
JA Venter
M von Backstrom
JS Tekana
M Laubscher
NB Ramailane
HCA Cloete

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2019 the company's investment in property, plant and equipment amounted to R 2 385 712 (2018:R 2 490 960), of which R 39 443 (2018: R 9 499) was added in the current year through additions.

Refer to note 2 of the annual financial statements for further details.

5. Events after the 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.

6. 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 borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new 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.

7. Secretary

The company had no secretary during the year.

8. Auditor

LDP Inc. continued in office in accordance with section 90(6) of the Companies Act of South Africa No. 71 of 2008, as amended.

Drakenstein Palliative Hospice NPC

(Registration number: 1999/015481/08)
Annual Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 385 712	2 490 960
Loans to group companies	3	-	34 028
		2 385 712	**2 524 988**
Current Assets			
Trade and other receivables	4	73 154	450 242
Other financial assets	5	601 133	1 036 615
Cash and cash equivalents	6	338 323	391 030
		1 012 610	**1 877 887**
Total Assets		**3 398 322**	**4 402 875**
Equity and Liabilities			
Equity			
Retained income		2 804 429	3 967 601
Liabilities			
Non-Current Liabilities			
Loans from group companies	3	136 746	-
Current Liabilities			
Trade and other payables	7	36 067	37 920
Provisions	8	421 080	397 354
		457 147	**435 274**
Total Liabilities		**593 893**	**435 274**
Total Equity and Liabilities		**3 398 322**	**4 402 875**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2019	2018
Revenue	9	2 612 727	2 567 138
Other income		1 091 584	1 564 300
Operating expenses		(4 899 176)	(5 032 566)
Operating loss	10	**(1 194 865)**	**(901 128)**
Investment revenue	11	21 829	56 817
Fair value adjustments	12	15 544	(15 681)
Finance costs	13	(5 680)	(141)
Loss for the year		**(1 163 172)**	**(860 133)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(1 163 172)**	**(860 133)**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2017	**4 827 734**	**4 827 734**
Loss for the year	(860 133)	(860 133)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(860 133)**	**(860 133)**
Balance at 01 April 2018	**3 967 601**	**3 967 601**
Loss for the year	(1 163 172)	(1 163 172)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(1 163 172)**	**(1 163 172)**
Balance at 31 March 2019	**2 804 429**	**2 804 429**

Statement of Cash Flows

Figures in Rand	Notes	2019	2018
Cash flows from operating activities			
Cash receipts from customers		2 989 815	2 483 301
Cash paid to suppliers and employees		(3 658 174)	(3 490 344)
Cash used in operations	15	(668 359)	(1 007 043)
Interest income		15 876	42 896
Dividends received		5 953	13 921
Finance costs		(5 680)	(141)
Net cash used in operating activities		**(652 210)**	**(950 367)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(39 443)	(9 499)
Net movement in loans with group companies		170 774	(98 619)
Sale of financial assets		468 172	1 194 614
Net cash from investing activities		**599 503**	**1 086 496**
Total cash movement for the year		**(52 707)**	**136 129**
Cash at the beginning of the year		391 030	254 901
Total cash at end of the year	6	**338 323**	**391 030**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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, and the Companies Act of South Africa No. 71 of 2008, as amended. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 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.

Key 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. During the current year, the directors determined that the useful lives of certain items of surveillance equipment should be shortened, due to developments in technology.

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Accounting Policies

1.2 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 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 loans, trade receivables and trade payables. 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Tax expenses

No provision for taxation is made as the company enjoys status as an exempt institution.

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.

Operating leases – lessee

Operating lease payments are recognised as an expense 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 payments are 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.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company 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 profit or loss.

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 profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, 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 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.9 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.10 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.11 Borrowing costs

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

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and Buildings	2 885 735	(690 583)	2 195 152	2 885 735	(635 268)	2 250 467
Furniture and fixtures	64 825	(57 374)	7 451	64 825	(55 474)	9 351
Motor vehicles	555 699	(410 088)	145 611	555 699	(324 584)	231 115
Office equipment	117 839	(80 360)	37 479	78 395	(78 387)	8
IT equipment	188 678	(188 659)	19	188 678	(183 659)	19
Total	**3 812 776**	**(1 427 064)**	**2 385 712**	**3 773 332**	**(1 282 372)**	**2 490 960**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	2 250 467	-	(55 315)	2 195 152
Furniture and fixtures	9 351	-	(1 900)	7 451
Motor vehicles	231 115	-	(85 504)	145 611
Office equipment	8	39 443	(1 972)	37 479
IT equipment	19	-	-	19
	2 490 960	**39 443**	**(144 691)**	**2 385 712**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	2 305 782	-	(55 315)	2 250 467
Furniture and fixtures	9	9 499	(157)	9 351
Motor vehicles	340 742	-	(109 627)	231 115
Office equipment	8	-	-	8
IT equipment	19	-	-	19
	2 646 560	**9 499**	**(165 099)**	**2 490 960**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

2. Property, plant and equipment (continued)

Details of properties

Erf 10762, Breda Street, Paarl - Held under T95988/2002

- Purchase price: 6 September 2002	300 000	300 000
- Additions since purchase or capitalised expenditure	401 830	401 830
- Accumulated depreciation	(208 017)	(193 979)
	493 813	**507 851**

Erf 26193, Breda Street, Paarl - Held under T77537/2004

- Purchase price: 26 May 2004	250 000	250 000
- Additions since purchase or capitalised expenditure	242 702	242 702
- Accumulated depreciation	(136 960)	(127 106)
	355 742	**365 596**

Erf 102, Mbekweni, Paarl - Held under T91669/2006

- Purchase price: 16 November 2006	1 250 000	1 250 000
- Additions since purchase or capitalised expenditure	441 201	441 201
- Accumulated depreciation	(345 604)	(314 181)
	1 345 597	**1 377 020**

3. Loans to (from) group companies

Butterfly House NPC	(136 746)	34 028

The unsecured loan bears interest as agreed upon by the parties from time to time and has no fixed terms of repayment. No capital repayments are required in the next 12 months.

Non-current assets	-	34 028
Non-current liabilities	(136 746)	-
	(136 746)	**34 028**

4. Trade and other receivables

Trade receivables	51 496	-
Value-added taxation	10 360	48 811
Accrued income	-	392 093
Deposits	11 298	9 338
	73 154	**450 242**

5. Other financial assets

At fair value		
Investment in listed equity portfolios with Nedbank	601 133	1 036 615

Current assets		
At fair value	601 133	1 036 615

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	19 155	8 798
Bank balances	319 168	382 232
	338 323	**391 030**

7. Trade and other payables

Trade payables	3 193	-
Salary accrual	29 874	37 920
Deposits received	3 000	-
	36 067	**37 920**

8. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	287 574	322 022	(287 574)	322 022
Provision for audit fees	74 000	74 000	(74 000)	74 000
Provisions for uniforms	5 780	1 196	(5 780)	1 196
Provisions for WCA	30 000	23 862	(30 000)	23 862
	397 354	**421 080**	**(397 354)**	**421 080**

Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	418 388	287 574	(418 388)	287 574
Provision for audit fees	69 042	74 000	(69 042)	74 000
Provisions for uniforms	30 000	5 780	(30 000)	5 780
Provisions for WCA	19 916	30 000	(19 916)	30 000
	537 346	**397 354**	**(537 346)**	**397 354**

9. Revenue

Donations received	332 852	248 642
Grants received	1 558 860	1 517 486
Fundraising	721 015	801 010
	2 612 727	**2 567 138**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

10. Operating loss

Operating loss for the year is stated after accounting for the following:

Other financial assets	17 146	37 425
Depreciation on property, plant and equipment	144 691	165 099
Employee costs	3 052 536	3 173 016

11. Investment revenue

Dividend revenue		
Investment	5 953	13 921
Interest revenue		
Bank	15 876	42 896
	21 829	**56 817**

12. Fair value adjustments

Other financial assets	15 544	(15 681)

13. Finance costs

Bank	92	-
Late payment of employee tax	5 588	141
	5 680	**141**

14. Taxation

No provision has been made for tax as the company enjoys status as an exempt institution.

15. Cash used in operations

Loss before taxation	(1 163 172)	(860 133)
Adjustments for:		
Depreciation and amortisation	144 691	165 099
Profit on sale of assets	(17 146)	(37 425)
Dividends received	(5 953)	(13 921)
Interest received	(15 876)	(42 896)
Finance costs	5 680	141
Fair value adjustments	(15 544)	15 681
Movements in provisions	23 726	(139 992)
Changes in working capital:		
Trade and other receivables	377 088	(83 837)
Trade and other payables	(1 853)	(9 760)
	(668 359)	**(1 007 043)**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

16. Related parties

Relationships
Mutual directors — Butterfly House NPC

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Loan accounts - Owing (to) by related parties		
Butterfly House NPC	(136 746)	34 028

17. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2018: Rnil).

18. Comparative figures

Certain comparative figures have been reclassified for presentation purposes.

19. 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.

20. Promotions and fundraising

	2019	2018
Absa Account	22 600	21 550
Additional Fundraising	31 912	13 384
Grand Roche Consert	-	68 951
Shop Income - Paarl	369 627	360 445
Shop Income - Paarl East	110 377	103 505
Shop Income - Wellington	183 489	223 567
Walk to Remember	3 010	6 608
	721 015	**801 010**

21. Donation income - restricted

	2019	2018
APCA Equipment grant	-	63 274
Department of Social Development	181 852	179 368
Drakenstein Municipality	-	6 000
NLC Lotto	151 000	-
	332 852	**248 642**

Notes to the Annual Financial Statements

Figures in Rand	2019	2018

22. Donation income - unrestricted

Ad hoc donations	51 121	245 145
B Brekke PHC	-	30 000
HPCA Mentorship	9 740	4 442
Koteng	950 000	689 900
Mr & Mrs L Retief	200 000	200 000
Mr Tim Allsop	200 000	180 000
Paarl Rotary	-	40 000
Podlashuk Trust	100 000	80 000
Verticor	48 000	48 000
	1 558 861	**1 517 487**

23. Other income - unrestricted

Nursing Income	40 655	16 600
Miqlat/MCM/Bowy	-	132 000
Monthly Retainers	-	33 000
PPC Income	805 260	1 185 540
Rental Income	147 170	136 624
Training Income & Travel Income	33 775	5 000
WC HPCA Mentorship	-	9 211
	1 026 860	**1 517 975**

Detailed Income Statement

Figures in Rand	Notes	2019	2018
Revenue			
Promotions and fundraising		721 015	801 010
Donation income - restricted		332 852	248 642
Donation income - unrestricted		1 558 860	1 517 486
	9	**2 612 727**	**2 567 138**
Other income			
Other income - unrestricted		1 026 860	1 517 975
Other income		3 469	8 900
Insurance Claim		44 109	-
Dividends received	11	5 953	13 921
Interest received	11	15 876	42 896
Gains on disposal of assets		17 146	37 425
Fair value adjustments	12	15 544	-
		1 128 957	**1 621 117**
Expenses (Refer to page 21)		**(4 899 176)**	**(5 032 566)**
Operating loss	10	**(1 157 492)**	**(844 311)**
Finance costs	13	(5 680)	(141)
Fair value adjustments	12	-	(15 681)
		(5 680)	**(15 822)**
Loss for the year		**(1 163 172)**	**(860 133)**

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

Detailed Income Statement

Figures in Rand	Notes	2019	2018
Operating expenses			
Accounting fees		70 867	74 144
Advertising		4 552	3 479
Bank charges		34 723	53 119
Building repairs and maintenance		20 953	20 690
Computer & internet expenses		18 359	12 614
Conference		-	21 189
Consulting and professional fees		28 731	10 410
Consumables & cleaning		30 124	26 727
Depreciation, amortisation and impairments		144 691	165 099
Direct fundraising expenses		10 810	279 288
Employee costs		2 973 809	3 173 016
Fines and penalties		20 622	1 228
Insurance		29 387	34 121
Meetings		1 739	4 163
Motor vehicle fuel		119 725	-
Motor vehicle maintenance and licences		35 316	150 652
Municipal cost		88 339	79 540
Non-refunded medical fund claims		293 847	-
Nursing supplies		2 001	29 683
Postage		323	482
Printer lease		16 061	-
Printing and stationery		28 495	37 417
Private palliative care expenses		537 029	754 788
Psycho social services		-	207
Security		9 351	9 663
Shop expenses - Paarl		75 617	-
Shop expenses - Paarl East		92 619	-
Shop expenses - Wellington		94 519	-
Staff training		9 553	6 327
Staff uniforms		11 706	-
Staff welfare		2 098	-
Subscriptions		9 769	15 001
Telephone and fax		78 459	63 815
Travel - local		4 982	5 704
		4 899 176	**5 032 566**

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