



**THE WESTERN CAPE HEALTH FOUNDATION NPC  
(REGISTRATION NUMBER 2011/128044/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2017**

These annual financial statements were prepared by:  
Moore Stephens VDA Incorporated  
Chartered Accountants (S.A.)

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**GENERAL INFORMATION**

<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Health related services
<b>DIRECTORS</b>	JJ du Toit CP Liebenberg ML Solms M Moyo NC Soboil NL North R Nauta KR Cloete N Nyathi LK Jones
<b>REGISTERED OFFICE</b>	16th Floor Norton Rose House 8 Riebeek Street CAPE TOWN 8001
<b>BUSINESS ADDRESS</b>	16th Floor Norton Rose House 8 Riebeek Street CAPE TOWN 8001
<b>POSTAL ADDRESS</b>	PO Box 15437 Vlaeberg CAPE TOWN 8018
<b>AUDITOR</b>	Moore Stephens VDA Incorporated Registered Auditors
<b>PREPARER</b>	The annual financial statements were independently compiled by: IJH du Plessis Chartered Accountant (S.A.) Moore Stephens VDA Incorporated
<b>COMPANY REGISTRATION NUMBER</b>	2011/128044/08
<b>TAX REFERENCE NUMBER</b>	9446102171
<b>VAT REGISTRATION NUMBER</b>	4550274486
<b>PBO NUMBER</b>	930046175
<b>NPO NUMBER</b>	168-875 NPO

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
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The reports and statements set out below comprise the annual financial statements presented to the stakeholders:

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**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

The directors are required by the Companies Act 71 of 2008, 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 opinion on the annual financial statements.

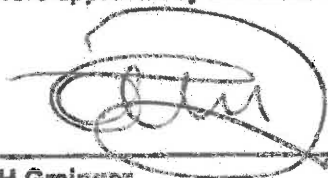
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The 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.

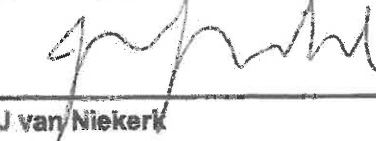
The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 28 May 2017 and were signed on its behalf by:



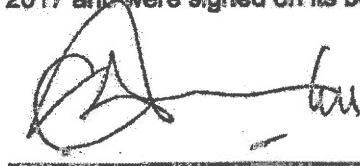
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H Grainger




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J van Niekerk



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CP Liebenberg



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M Moyo

CAPE TOWN

26 May 2017

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Stellenbosch  
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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE STAKEHOLDERS OF THE WESTERN CAPE HEALTH FOUNDATION NPC**

#### **OPINION**

I have audited the Annual Financial Statements of The Western Cape Health Foundation NPC set out on pages 9 to 21, which comprise the Statement of Financial Position as at 28 February 2017, and the Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including significant accounting policies and other explanatory information.

In my opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of The Western Cape Health Foundation NPC as at 28 February 2017, 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 71 of 2008.

#### **BASIS FOR OPINION**

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

## **INDEPENDENT AUDITOR'S REPORT**

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### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and my auditor's report thereon.

My opinion on the Annual Financial Statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the Annual Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008; and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the 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 ANNUAL FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.

## INDEPENDENT AUDITOR'S REPORT

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### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS (continued)

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Moore Stephens VDA INC*

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**Moore Stephens VDA Incorporated**  
**Registered Auditors**  
**Per: G Viljoen**  
**Chartered Accountant (S.A.)**  
**Director**

**26 May 2017**

**24 Techno Drive**  
**Techno Park**  
**STELLENBOSCH**  
**7600**

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**DIRECTORS' REPORT**

The directors submit their report on the annual financial statements of The Western Cape Health Foundation NPC for the year ended 28 February 2017.

**1. INCORPORATION**

The company was incorporated on 27 October 2011 and obtained its certificate to commence business on the same day.

**2. NATURE OF BUSINESS**

The Western Cape Health Foundation NPC was incorporated in South Africa and its main objective is to improve the healthcare quality, access and experience for people of the Western Cape. It does this by engaging in fundraising and acting as a conduit for donations to support the work of the Western Cape Government: Department of Health. In support of its non-profit objectives, it undertakes minimal income-generating work. The company operates in South Africa in the non-profit industry.

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

**3. 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 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The company recorded a deficit for the year ended 28 February 2017 of R (1,225,487) (2016: R 766,280).

Changes in financial transactions and results compared to the prior year reflect an increase in activity, hiring of new staff and securing of new funding contracts.

**4. DIVIDENDS**

In terms of Schedule 1 of the companies Act, the company is prohibited from making any dividend distributions. Consequently no dividends were paid, declared or proposed during the period under review.

**5. DIRECTORS**

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

<b>Directors</b>	<b>Designation</b>	<b>Nationality</b>
JJ du Toit	Non-executive Independent	South African
CP Liebenberg	Non-executive Independent	South African
ML Solms	Non-executive Independent	South African
M Moyo	Executive	Zimbabwean
NC Soboil	Non-executive Independent	South African
NL North	Non-executive Independent	South African
R Nauta	Non-executive Independent	South African
KR Cloete	Non-executive Independent	South African
N Nyathi	Non-executive Independent	South African
LK Jones	Non-executive Independent	South African

In terms of the company's Memorandum of Incorporation Mr. M Moyo has been temporarily appointed as an executive director effective from October 2016 until such time as determined by the board of directors after which Mr. Moyo will resume his position as Non-executive Independent director.

**6. NON-CURRENT ASSETS**

There was no change in the nature of the non-current assets of the company or in the policy regarding their use during the year under review.



**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**DIRECTORS' REPORT**

**7. 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.

**8. GOING CONCERN**

The Western Cape Health Foundatoin NPC's gross revenue increased by R 3,667,184 during the year ended 28 February 2017 as compared to the previous financial year. The net deficit of R (1,225,487) as reflected in the income statement is assigned to sources of income that ended in the prior period which could not be realised in the current period. The deficit was funded by surplus funds held by the Foundation during the prior year.

Being aware of the stated deficit, the directors of The Western Cape Health Foundation engaged in measures to ensure the sustainability of the Foundation so as to continue as a going concern.

**9. AUDITORS**

Moore Stephens VDA Incorporated continued in office as auditors for the company for 2017, in accordance with section 90(6) of the Companies Act 71 of 2008.

**10. LIQUIDITY AND SOLVENCY**

The directors have performed the liquidity and solvency tests as required by the Companies Act 71 of 2008.

**THE WESTERN CAPE HEALTH FOUNDATION NPC**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**  
**STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017**

	Notes	2017 R	2016 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	124,635	144,828
<b>Current Assets</b>			
Trade and other receivables	4	508,372	43,194
Cash and cash equivalents	3	5,603,696	6,296,164
		<b>6,112,068</b>	<b>6,339,358</b>
<b>Total Assets</b>		<b>6,236,703</b>	<b>6,484,186</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Accumulated surplus		3,116,596	4,342,083
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deferred income	5	2,522,378	1,925,887
Trade and other payables	6	597,729	216,216
		<b>3,120,107</b>	<b>2,142,103</b>
<b>Total Funds and Liabilities</b>		<b>6,236,703</b>	<b>6,484,186</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>Notes</b>	<b>2017 R</b>	<b>2016 R</b>
Revenue	7	6,934,111	3,266,927
Charitable activities	8	(6,330,863)	(1,341,927)
<b>Net charitable income</b>		<b>603,248</b>	<b>1,925,000</b>
Other income	9	499,549	165,346
Operating expenses		(2,549,077)	(1,606,121)
<b>Operating (deficit) surplus</b>	<b>10</b>	<b>(1,446,280)</b>	<b>484,225</b>
Investment revenue	11	220,793	282,247
Finance costs	12	-	(192)
<b>(Deficit) surplus for the year</b>		<b>(1,225,487)</b>	<b>766,280</b>
Other comprehensive income		-	-
<b>Total comprehensive (deficit) surplus for the year</b>		<b>(1,225,487)</b>	<b>766,280</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
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**STATEMENT OF CHANGES IN FUNDS**

	<b>Accumulated Total equity</b>	
	<b>surplus</b>	<b>R</b>
	<b>R</b>	<b>R</b>
<b>Balance at 01 March 2015</b>	<b>3,575,803</b>	<b>3,575,803</b>
Surplus for the year	766,280	766,280
Other comprehensive income	-	-
<b>Total comprehensive surplus for the year</b>	<b>766,280</b>	<b>766,280</b>
<b>Balance at 01 March 2016</b>	<b>4,342,083</b>	<b>4,342,083</b>
Deficit for the year	(1,225,487)	(1,225,487)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(1,225,487)</b>	<b>(1,225,487)</b>
<b>Balance at 28 February 2017</b>	<b>3,116,596</b>	<b>3,116,596</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**STATEMENT OF CASH FLOWS**

	Notes	2017 R	2016 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) generated from operations	14	(886,673)	2,512,699
Investment revenue	11	220,793	282,247
Finance costs	12	-	(192)
<b>Net cash from operating activities</b>		<b>(665,880)</b>	<b>2,794,754</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(26,588)	(154,644)
<b>Total cash movement for the year</b>		<b>(692,468)</b>	<b>2,640,110</b>
Cash at the beginning of the year		6,296,164	3,656,054
<b>Total cash at end of the year</b>	3	<b>5,603,696</b>	<b>6,296,164</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**ACCOUNTING POLICIES**

**1. Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Judgements and sources of estimation uncertainty**

**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 or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

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

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<b>Item</b>	<b>Average useful life</b>
Furniture and fixtures	6
Office equipment	6
IT equipment	3
Computer software	3

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

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

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

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**ACCOUNTING POLICIES**

**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.

**1.4 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 – 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.

**1.5 Impairment of assets**

The company assesses at each reporting date whether there is any indication that assets 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.

**1.6 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.

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**ACCOUNTING POLICIES**

**1.7 Revenue**

Donations (cash and in kind), fund-raising and collections are recognised upon the earliest date of accrual. Donations received of a physical nature are valued at market value on date of receipt. Donations in kind are recognised when the cash value of the donation can be measured reliably.

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

**1.8 Borrowing costs**

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

**1.9 Deferred income**

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

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

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



THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2017  
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2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	4,060	(1,576)	2,484	4,060	(222)	3,838
Furniture and fixtures	60,993	(12,396)	48,597	60,948	(2,508)	58,440
IT equipment	106,806	(40,930)	65,876	81,793	(6,797)	74,995
Office equipment	9,373	(1,695)	7,678	7,843	(288)	7,555
<b>Total</b>	<b>181,232</b>	<b>(56,597)</b>	<b>124,635</b>	<b>154,644</b>	<b>(9,815)</b>	<b>144,828</b>

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Computer software	3,838	-	(1,354)	2,484
Furniture and fixtures	58,440	45	(9,888)	48,597
IT equipment	74,995	25,014	(34,133)	65,876
Office equipment	7,555	1,529	(1,406)	7,678
	<b>144,828</b>	<b>26,588</b>	<b>(46,781)</b>	<b>124,635</b>

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Computer software	-	4,060	(222)	3,838
Furniture and fixtures	-	60,948	(2,508)	58,440
IT equipment	-	81,793	(6,798)	74,995
Office equipment	-	7,843	(288)	7,555
	-	<b>154,644</b>	<b>(9,816)</b>	<b>144,828</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2017 R	2016 R
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Cash on hand	38	323
Bank balances	5,603,658	6,295,841
	<b>5,603,696</b>	<b>6,296,164</b>

**4. TRADE AND OTHER RECEIVABLES**

Deposits	22,200	22,200
LSC Loan Account	100,908	20,994
VAT	385,264	-
	<b>508,372</b>	<b>43,194</b>

**5. DEFERRED INCOME**

Under its agreement with the Royal College of Obstetricians and Gynaecologists (RCOG) should any part of the Sub-grant monies remain unspent at the end of the Sub-grant period, such monies shall be repaid to RCOG unless otherwise agreed by the parties. For the year ended 28 February 2017 the unspent sub-grant monies amounts to R 2,522,378 (2016: R 1,925,887) that makes up the current liability disclosed. The recipient shall not apply any unspent monies to purposes other than those set out in the Memorandum of Agreement.

- The nature and extent of grants recognised in the annual financial statements and an indication of other forms of assistance from which the entity has directly benefited; and
- Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Non-current liabilities	-	-
Current liabilities	2,522,378	1,925,887
	<b>2,522,378</b>	<b>1,925,887</b>

**6. TRADE AND OTHER PAYABLES**

Trade payables	304,882	177,311
Accrued expenses	191,343	-
Accrued leave pay	101,504	38,905
	<b>597,729</b>	<b>216,216</b>

**7. REVENUE**

Funds and donations received	742,510	2,381,157
RCOG/LSC Funding	6,191,601	885,770
	<b>6,934,111</b>	<b>3,266,927</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2017 R	2016 R
<b>8. CHARITABLE ACTIVITIES</b>		
<b>Funds distributed</b>		
RCOG/LSC - Salaries	3,237,373	496,430
RCOG/LSC - Programme expenses	2,587,209	389,340
Donations in kind	10,060	456,157
Workshop expenses	129,203	-
	<b>5,963,845</b>	<b>1,341,927</b>
<b>Rendering of services</b>		
Equipment for programme team	107,690	-
Equipment donated	259,328	-
	<b>367,018</b>	<b>-</b>
	<b>6,330,863</b>	<b>1,341,927</b>
<b>9. OTHER INCOME</b>		
Sub-grant administration fees received	423,872	49,010
Discount received	-	246
Fees earned	-	42,000
Prior year VAT adjustment	72,830	-
LSC project income	-	74,090
Miscellaneous income	2,847	-
	<b>499,549</b>	<b>165,346</b>
<p>The Western Cape Health Foundation NPC registered as a VAT Vendor during the 2017 financial year.</p> <p>SARS allowed the company to claim input VAT retrospectively from 4 December 2014. The VAT adjustment amount included in Other Income relates to the input VAT amounts claimed in the current year, but in respect of prior periods.</p>		
<b>10. OPERATING (DEFICIT) SURPLUS</b>		
Operating (deficit) surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Lease rentals on operating lease		
• Contractual amounts	156,299	62,330
Depreciation on property, plant and equipment	46,781	9,816
Employee costs	2,017,068	1,108,631
<b>11. INVESTMENT REVENUE</b>		
<b>Interest revenue</b>		
Bank	220,793	282,247
<b>12. FINANCE COSTS</b>		
South African Revenue Services	-	192

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**2017  
R**                      **2016  
R**

**13. TAXATION**

No provision for tax has been made for 2017 tax as The Western Cape Health Foundation NPC is exempt from tax in terms of section 30(3); paragraph 10(1)(cN) of the Income Tax 58, 1962.

**14. CASH (USED IN) GENERATED FROM OPERATIONS**

(Deficit) surplus before taxation	(1,225,487)	766,280
<b>Adjustments for:</b>		
Depreciation and amortisation	46,781	9,816
Interest received	(220,793)	(282,247)
Finance costs	-	192
<b>Changes in working capital:</b>		
Trade and other receivables	(465,178)	(43,194)
Trade and other payables	381,513	135,965
Deferred income	596,491	1,925,887
	<b>(886,673)</b>	<b>2,512,699</b>

**15. RELATED PARTIES**

**Relationships**

Significant influence due to main source of funding

Royal College of Obstetricians and  
Gynaecologists  
Western Cape Government: Department of  
Health

Members of key management

J van Niekerk  
M Moyo

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

**Related party transactions**

**Funds received from related parties**

Royal College of Obstetricians and Gynaecologists	6,788,092	849,603
Western Cape Government: Department of Health	-	1,000,000

**16. DIRECTORS' REMUNERATION**

**Executive**

**2017**

	<b>Emoluments</b>	<b>Total</b>
M Moyo	160,000	160,000
J van Niekerk	663,850	663,850
	<b>823,850</b>	<b>823,850</b>

**2016**

	<b>Emoluments</b>	<b>Total</b>
J van Niekerk	635,000	635,000

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CATEGORIES OF FINANCIAL INSTRUMENTS

	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
<b>Categories of financial instruments - 2017</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	2	-	-	124,635	124,635
<b>Current Assets</b>					
Cash and cash equivalents	3	5,603,696	-	-	5,603,696
Trade and other receivables	4	123,108	-	385,264	508,372
		<b>5,726,804</b>	-	<b>385,264</b>	<b>6,112,068</b>
<b>Total Assets</b>		<b>5,726,804</b>	-	<b>509,899</b>	<b>6,236,703</b>
<b>Funds and Liabilities</b>					
<b>Funds</b>					
Accumulated surplus		-	-	3,116,596	3,116,596
<b>Total Funds</b>		-	-	<b>3,116,596</b>	<b>3,116,596</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Deferred income	5	-	-	2,522,378	2,522,378
Trade and other payables	6	-	597,729	-	597,729
		-	<b>597,729</b>	<b>2,522,378</b>	<b>3,120,107</b>
<b>Total Liabilities</b>		-	<b>597,729</b>	<b>2,522,378</b>	<b>3,120,107</b>
<b>Total Funds and Liabilities</b>		-	<b>597,729</b>	<b>5,638,974</b>	<b>6,236,703</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CATEGORIES OF FINANCIAL INSTRUMENTS (continued)

	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
<b>Categories of financial instruments - 2016</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	2	-	-	144,829	144,829
<b>Current Assets</b>					
Cash and cash equivalents	3	6,296,164	-	-	6,296,164
Trade and other receivables	4	43,194	-	-	43,194
		<b>6,339,358</b>	-	-	<b>6,339,358</b>
<b>Total Assets</b>		<b>6,339,358</b>	-	<b>144,829</b>	<b>6,484,187</b>
<b>Funds and Liabilities</b>					
<b>Funds</b>					
Accumulated surplus		-	-	4,342,083	4,342,083
<b>Total Funds</b>		-	-	<b>4,342,083</b>	<b>4,342,083</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Deferred income	5	-	-	1,925,887	1,925,887
Trade and other payables	6	-	216,217	-	216,217
		-	<b>216,217</b>	<b>1,925,887</b>	<b>2,142,104</b>
<b>Total Liabilities</b>		-	<b>216,217</b>	<b>1,925,887</b>	<b>2,142,104</b>
<b>Total Funds and Liabilities</b>		-	<b>216,217</b>	<b>6,267,970</b>	<b>6,484,187</b>

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**DETAILED INCOME STATEMENT**

	Notes	2017 R	2016 R
<b>REVENUE</b>			
Funds and donations received		742,510	2,381,157
RGOG funding		6,191,601	885,770
	7	<b>6,934,111</b>	<b>3,266,927</b>
<b>CHARITABLE ACTIVITIES</b>			
Funds distributed	8	(6,330,863)	(1,341,927)
<b>Net charitable income</b>		<b>603,248</b>	<b>1,925,000</b>
<b>OTHER INCOME</b>			
Administration and management fees received	9	423,872	49,010
Fees earned	9	-	42,000
Discount received	9	-	246
LSC Project income	9	-	74,090
Miscellaneous income	9	2,847	-
Prior year VAT correction	9	72,830	-
Investment revenue	11	220,793	282,247
		<b>720,342</b>	<b>447,593</b>
<b>Expenses (Refer to page 23)</b>		<b>(2,549,077)</b>	<b>(1,606,121)</b>
<b>Operating (deficit) surplus</b>	10	<b>(1,225,487)</b>	<b>766,472</b>
Finance costs	12	-	(192)
<b>(Deficit) surplus for the year</b>		<b>(1,225,487)</b>	<b>766,280</b>

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**DETAILED INCOME STATEMENT**

	<b>2017</b>	<b>2016</b>
	<b>R</b>	<b>R</b>
<b>OPERATING EXPENSES</b>		
Accounting fees	9,372	66,234
Advertising	8,000	19,694
Auditors remuneration	25,680	22,800
BBBEE Compliance	1,100	1,083
Bank charges	5,014	4,143
Computer expenses	5,203	15,429
Depreciation	46,781	9,816
Employee costs	2,017,068	1,108,631
Entertainment	1,022	6,936
Insurance	9,075	-
Lease rentals on operating lease	156,299	62,330
Legal expenses	-	176,798
Medical supplies	-	239
Miscellaneous expense	4,957	-
Municipal expenses	-	5,342
Printing and stationery	24,044	12,365
Professional fees	131,044	-
Repairs and maintenance	4,492	-
Staff welfare	5,047	1,345
Subscriptions	5,066	1,710
Telephone and fax	27,020	8,108
Training	10,264	22,954
Travel - local	52,529	60,164
	<b>2,549,077</b>	<b>1,606,121</b>