



**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FORMERLY THE WESTERN CAPE HEALTH FOUNDATION NPC
(REGISTRATION NUMBER 2011/128044/08)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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

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

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

GENERAL INFORMATION

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

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

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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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 auditors are engaged to express an independent opinion on the financial statements.

The 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

The financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 08 August 2019 and were signed on its behalf by:



CP Liebenberg



M Moyo

Cape Town

13 August 2019

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF THE HEALTH FOUNDATION OF SOUTH AFRICA NPC

OPINION

We have audited the financial statements of The Health Foundation of South Africa NPC set out on pages 9 to 21, which comprise the statement of financial position as at 28 February 2019, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Health Foundation of South Africa NPC as at 28 February 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 71 of 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements and our auditor's report thereon and it is presented as additional information.

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 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 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.

Moore Stellenbosch Inc

Moore Stellenbosch Incorporated
Registered Auditors
Per: G Viljoen
Chartered Accountants (SA)
Director

16 October 2019

24 Techno Drive
Techno Park
STELLENBOSCH
7600

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of The Health Foundation of South Africa NPC for the year ended 28 February 2019.

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 Health Foundation of South Africa NPC was incorporated in South Africa and its main objective is to improve the healthcare quality, access and experience for people of South Africa. It does this by engaging in fundraising and acting as a conduit for donations to support the work of the 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 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 net profit for the year ended 28 February 2019 of R 2 034 911 (2018 profit: R 616 918).

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

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:

Directors	Designation	Nationality
JJ du Toit	Non-executive Independent	South African
CP Liebenberg	Non-executive Independent	South African
M Moyo	Non-executive Independent	Zimbabwean
R Nauta	Non-executive Independent	South African
KR Cloete	Non-executive Independent	South African
LK Jones	Non-executive Independent	South African

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.

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.

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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DIRECTORS' REPORT

8. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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.

9. AUDITORS

Moore Stellenbosch Incorporated continued in office as auditors for the company for 2019 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 HEALTH FOUNDATION OF SOUTH AFRICA NPC
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STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

	Notes	2019 R	2018 R
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	37 911	80 781
Current Assets			
Cash and cash equivalents	3	6 471 913	7 115 327
Trade and other receivables	4	1 296 774	300 519
		7 768 687	7 415 846
Total Assets		7 806 598	7 496 627
FUNDS AND LIABILITIES			
FUNDS			
Accumulated Surplus		6 054 558	4 019 647
LIABILITIES			
Current Liabilities			
Deferred income	5	-	3 212 799
Other financial liabilities	6	1 238 912	-
Trade and other payables	7	513 128	264 181
		1 752 040	3 476 980
Total Funds and Liabilities		7 806 598	7 496 627

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2019 R	2018 R
Revenue	8	17 124 617	14 027 838
Charitable activities	9	(14 241 964)	(12 316 494)
Net charitable income		2 882 653	1 711 344
Other income	10	697 475	351 891
Operating expenses		(1 865 965)	(1 643 920)
Operating surplus	11	1 714 163	419 315
Investment revenue	12	320 748	197 603
Surplus for the year		2 034 911	616 918
Other comprehensive income		-	-
Total comprehensive surplus for the year		2 034 911	616 918

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

STATEMENT OF CHANGES IN FUNDS

	Accumulated Surplus R	Total equity R
Opening balance as previously reported	3 116 595	3 116 595
Adjustments		
Prior period adjustment	286 135	286 135
Balance at 01 March 2017 as restated	3 402 729	3 402 729
Surplus for the year	616 918	616 918
Other comprehensive income	-	-
Total comprehensive surplus for the year	616 918	616 918
Opening balance as previously reported	2 780 735	2 780 735
Adjustments		
Prior period adjustment	1 238 912	1 238 912
Balance at 01 March 2018 as restated	4 019 647	4 019 647
Surplus for the year	2 034 911	2 034 911
Other comprehensive income	-	-
Total comprehensive surplus for the year	2 034 911	2 034 911
Balance at 28 February 2019	6 054 558	6 054 558

THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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STATEMENT OF CASH FLOWS

	Notes	2019 R	2018 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		18 120 872	13 375 580
Cash paid to suppliers and employees		(20 323 946)	(12 061 572)
Cash (used in) generated from operations	14	(2 203 074)	1 314 008
Interest income		320 748	197 603
Net cash from operating activities		(1 882 326)	1 511 611
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of property, plant and equipment	2	-	20
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		1 238 912	-
Net cash from financing activities		1 238 912	-
Total cash movement for the year		(643 414)	1 511 631
Cash at the beginning of the year		7 115 327	5 603 696
Total cash at end of the year	3	6 471 913	7 115 327

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

ACCOUNTING POLICIES

General information

The Health Foundation of South Africa NPC is a company incorporated and domiciled in South Africa.

1. Basis of preparation and summary of significant accounting policies

The 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 71 of 2008. The 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 financial statements.

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.

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.

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 have been assessed as follows:

Item	Average useful life
Computer software	3
Furniture and fixtures	6
IT equipment	3
Office equipment	6

Where 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 the components and they are depreciated separately over each component's useful life.

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

The residual value of an asset is the estimated amount that the entity would currently obtain from the disposal of the asset after deducting the estimated cost of disposal, if the the assets were already of the age and in the condition expected at the end of its useful life. The useful life of the asset is the expected time the asset will be available for use by the entity.

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.

Trade and other receivables

Trade debtors are initially recognised at transaction cost and is subsequently measured at amortised cost using the effective interest method, less any provision for impairment or bad debts. The relevant provision for the estimated doubtful debts are recognised in profit and loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, on-demand deposits, amounts held at bank and other highly liquid short term investments which can be readily converted into cash, and which carry minimal risk of impairment. It is initially and subsequently measured at fair value.

Trade and other payables

Trade payables are initially recognised at fair value and is subsequently measured at amortised cost using the effective interest method.

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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1.3 FINANCIAL INSTRUMENTS (continued)

Bank overdraft and other loans payable

Bank overdraft and other loans payable are initially recognised at transaction cost and is subsequently measured at amortised cost using the effective interest method, Interest is recorded in profit and loss using the effective interest method and is included in finance cost.

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 - 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.

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.

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.

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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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 specific 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 recognition criteria are satisfied are recognised as a liability.

THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE FINANCIAL STATEMENTS

2019
R

2018
R

2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	4 060	(4 060)	-	4 060	(2 929)	1 131
Furniture and fixtures	68 238	(36 350)	31 888	68 238	(24 977)	43 261
IT equipment	106 806	(105 336)	1 470	106 806	(76 532)	30 274
Office equipment	9 373	(4 820)	4 553	9 373	(3 258)	6 115
Total	188 477	(150 566)	37 911	188 477	(107 696)	80 781

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Computer software	1 131	(1 131)	-
Furniture and fixtures	43 261	(11 373)	31 888
IT equipment	30 274	(28 804)	1 470
Office equipment	6 115	(1 562)	4 553
	80 781	(42 870)	37 911

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Closing balance
Computer software	2 483	(1 352)	1 131
Furniture and fixtures	48 598	(5 337)	43 261
IT equipment	65 876	(35 602)	30 274
Office equipment	7 678	(1 563)	6 115
	124 635	(43 854)	80 781

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
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NOTES TO THE FINANCIAL STATEMENTS

	2019	2018
	R	R
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	6 471 872	7 115 289
Cash on hand	41	38
	6 471 913	7 115 327

4. TRADE AND OTHER RECEIVABLES

Deposits	22 200	22 200
Grants receivable	690 000	-
LSC Loan Account	-	8 890
VAT	584 574	269 429
	1 296 774	300 519

5. DEFERRED INCOME

Deferred income	-	3 212 799
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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 2019 the unspent sub-grant monies amounts to R 0 (2018: R 3,212,799) 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.

6. OTHER FINANCIAL LIABILITIES

At amortised cost

RCOG	1 238 912	-
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The loan is unsecured, bears no interest and has no fixed term of repayment.

Current liabilities

At amortised cost	1 238 912	-
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7. TRADE AND OTHER PAYABLES

Accrued leave pay	75 928	78 352
Amounts received in advance	18 745	-
Deposits received	30 000	12 000
Trade payables	388 455	173 829
	513 128	264 181

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NOTES TO THE FINANCIAL STATEMENTS

	2019 R	2018 R
8. REVENUE		
Ackerman Family Trust	550 000	-
Dis-Chem Foundation	970 000	700 000
Humane Society International	446 472	-
International Planned Parenthood Federation	782 965	-
Other Grants Received	1 739 106	267 538
Royal College of Obstetricians and Gynaecologists	12 636 074	13 060 300
	17 124 617	14 027 838

9. CHARITABLE ACTIVITIES

Funds distributed

RCOG/LSC - Program Expenses	5 576 064	6 143 904
RCOG/LSC - Training Materials	5 945 212	5 252 404
Other Program Expenses	2 720 688	208 971
	14 241 964	11 605 279

Rendering of services

Equipment donated	-	695 567
Equipment for programme team	-	15 648
	-	711 215
	14 241 964	12 316 494

10. OTHER INCOME

Awards granted	80 000	-
Profit and loss on sale of assets	-	20
Rental income	68 036	43 800
Sub-grant administration fees received	549 439	308 071
	697 475	351 891

11. OPERATING SURPLUS

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

Operating lease charges

Lease rentals on operating lease		
• Contractual amounts	188 016	174 787
Profit on sale of property, plant and equipment	-	20
Depreciation on property, plant and equipment	42 871	43 853
Employee costs	236 272	1 123 654

12. INVESTMENT REVENUE

Interest revenue

Bank	320 748	197 603
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**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

NOTES TO THE FINANCIAL STATEMENTS

	2019	2018
	R	R
13. TAXATION		
No provision has been made for 2019 tax as the Health Foundation of South Africa NPC is exempt from tax in terms of section 30(3), paragraph 10(1)(cN) of the Income Tax Act 58 of 1962.		
14. CASH (USED IN) GENERATED FROM OPERATIONS		
Profit before taxation	2 034 911	616 918
Adjustments for:		
Depreciation and amortisation	42 871	43 853
Profit on sale of assets	-	(20)
Interest received	(320 748)	(197 603)
Changes in working capital:		
Trade and other receivables	(306 256)	207 854
Trade and other payables	248 947	(333 540)
Deferred income	(3 212 799)	976 546
Grant receivable	(690 000)	-
	(2 203 074)	1 314 008

15. RELATED PARTIES

Relationships

Significant influence due to main source of funding

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

Members of key management

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	10 495 797	13 060 300
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16. PRIOR PERIOD ADJUSTMENT

Income recognised from the Royal College of Obstetricians and Gynaecologists was incomplete in previous years. This led income and deferred income being adjusted. The effect of the prior period adjustment has an effect on both the Grants Received and Retained Income

The above mentioned results in adjustments as follows:

	2019	2018
Statement of Financial Position		
Deferred Income	-	1 238 913
Opening retained earnings	-	(286 135)
Profit or Loss		
Grants received	-	(952 778)

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

NOTES TO THE FINANCIAL STATEMENTS

2019	2018
R	R

17. CONTINGENCIES

The company is awaiting confirmation from the Royal College of Obstetricians and Gynaecologists ("RCOG") whether an amount of R 1,072,521 is payable to the RCOG with regards to expenses incurred with RCOG funds received for projects .

**THE HEALTH FOUNDATION OF SOUTH AFRICA NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

DETAILED INCOME STATEMENT

		2019 R	2018 R
REVENUE			
Dis-Chem Foundation		970 000	700 000
International Planned Parenthood Federation		782 965	-
Royal College of Obstetricians and Gynaecologists		12 636 074	13 060 300
Humane Society International		446 472	-
Ackerman Family Trust		550 000	-
Other Grants Received		1 739 106	267 538
	8	17 124 617	14 027 838
CHARITABLE ACTIVITIES			
Funds distributed	9	(14 241 964)	(12 316 494)
Net charitable income		2 882 653	1 711 344
OTHER INCOME			
Administration and management fees received		549 439	308 071
Awards received		80 000	-
Gains on disposal of assets		-	20
Rental income		68 036	43 800
	10	697 475	351 891
OPERATING EXPENSES			
Accounting fees		1 371	4 207
Advertising and marketing		6 230	20 879
Auditors remuneration		32 250	27 150
BBBEE Compliance		7 750	1 100
Bank charges		5 484	6 060
Computer expenses		3 445	2 442
Depreciation		42 871	43 853
Employee costs		236 272	1 123 654
Repayment to RCOG		1 238 912	-
Insurance		11 625	9 565
Lease rentals on operating lease		188 016	174 787
Miscellaneous expense		1 707	2 075
Postage		-	230
Printing and stationery		16 150	22 463
Professional Fees		1 561	125 000
Repairs and maintenance		-	572
Staff welfare		3 173	3 404
Subscriptions		5 707	1 768
Telephone and fax		20 497	19 833
Training		2 455	610
Travel - local		40 489	54 268
		1 865 965	1 643 920
Operating surplus	11	1 714 163	419 315
Interest received	12	320 748	197 603
Surplus for the year		2 034 911	616 918