



**THE WESTERN CAPE HEALTH FOUNDATION NPC  
(REGISTRATION NUMBER 2011/128044/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

These 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 2018**

**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 M Moyo 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

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The reports and statements set out below comprise the annual 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 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.

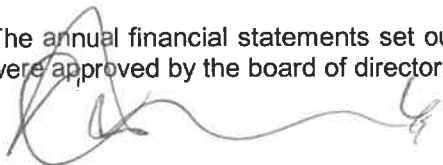
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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.

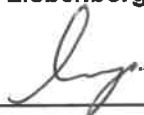
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 9 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 30 May 2018 and were signed on its behalf by:



**CP Liebenberg**



**M Moyo**

**CAPE TOWN**

**30 May 2018**

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Techno Park  
Stellenbosch  
7600

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the 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 2018, and the Statement of 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, the Financial Statements present fairly, in all material respects, the financial position of The Western Cape Health Foundation NPC as at 28 February 2018, 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 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. We have fulfilled our 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). 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 and supplementary information set out on pages 22 to 23. 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.

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

- 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 Stephens VDA INC*

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

**30 May 2018**

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

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**DIRECTORS' REPORT**

The directors have pleasure in submitting their report on the annual financial statements of The Western Cape Health Foundation NPC for the year ended 28 February 2018.

**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 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 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 net deficit for the year ended 28 February 2018 of R (335 859) (2017: R (1 225 487)).

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

<b>Directors</b>	<b>Designation</b>	<b>Nationality</b>	<b>Changes</b>
JJ du Toit	Non-executive Independent	South African	
CP Liebenberg	Non-executive Independent	South African	
M Moyo	Executive	Zimbabwean	
NL North	Non-executive Independent	South African	Resigned 19 February 2018
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	

NL North resigned as non-executive director on 19 February 2018.

**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.



**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**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 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.

**9. AUDITORS**

Moore Stephens VDA Incorporated continued in office as auditors for the company for 2018, 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 2018**  
**STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018**

	Notes	2018 R	2017 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	80 781	124 635
<b>Current Assets</b>			
Trade and other receivables	3	300 519	508 372
Cash and cash equivalents	4	7 115 327	5 603 696
		<b>7 415 846</b>	<b>6 112 068</b>
<b>Total Assets</b>		<b>7 496 627</b>	<b>6 236 703</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Accumulated Surplus		2 780 734	3 116 593
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	264 182	597 732
Deferred income	6	4 451 711	2 522 378
		<b>4 715 893</b>	<b>3 120 110</b>
<b>Total Funds and Liabilities</b>		<b>7 496 627</b>	<b>6 236 703</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>Notes</b>	<b>2018 R</b>	<b>2017 R</b>
Revenue	7	13 075 061	6 934 111
Funds distributed	8	(12 316 494)	(6 330 863)
<b>Net charitable income</b>		<b>758 567</b>	<b>603 248</b>
Other income	9	351 891	499 549
Operating expenses		(1 643 920)	(2 549 077)
<b>Operating deficit</b>	<b>10</b>	<b>(533 462)</b>	<b>(1 446 280)</b>
Investment revenue	11	197 603	220 793
<b>Deficit for the year</b>		<b>(335 859)</b>	<b>(1 225 487)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the year</b>		<b>(335 859)</b>	<b>(1 225 487)</b>

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

	<b>Accumulated Surplus R</b>	<b>Total equity R</b>
<b>Balance at 01 March 2016</b>	<b>4 342 080</b>	<b>4 342 080</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 01 March 2017</b>	<b>3 116 593</b>	<b>3 116 593</b>
Deficit for the year	(335 859)	(335 859)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(335 859)</b>	<b>(335 859)</b>
<b>Balance at 28 February 2018</b>	<b>2 780 734</b>	<b>2 780 734</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
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**STATEMENT OF CASH FLOWS**

	Notes	2018 R	2017 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from (used in) operations	13	1 314 028	(886 673)
Interest revenue	11	197 603	220 793
<b>Net cash from operating activities</b>		<b>1 511 631</b>	<b>(665 880)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	-	(26 588)
<b>Total cash movement for the year</b>		<b>1 511 631</b>	<b>(692 468)</b>
Cash at the beginning of the year		5 603 696	6 296 164
<b>Total cash at end of the year</b>	4	<b>7 115 327</b>	<b>5 603 696</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**ACCOUNTING POLICIES**

**General information**

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

**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 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 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 straightline 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

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 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.

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
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**ACCOUNTING POLICIES**

**1.2 Property, plant and equipment (continued)**

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.

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**ACCOUNTING POLICIES**

**1.3 Financial instruments (continued)**

**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.

**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 – 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  
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**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 and recognised as a liability.

THE WESTERN CAPE HEALTH FOUNDATION NPC  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2018  
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2017  
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2. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	4 060	(2 929)	1 131	4 060	(1 576)	2 484
Furniture and fixtures	68 238	(24 977)	43 261	60 993	(12 396)	48 597
IT equipment	106 806	(76 532)	30 274	106 806	(40 930)	65 876
Office equipment	9 373	(3 258)	6 115	9 373	(1 695)	7 678
<b>Total</b>	<b>188 477</b>	<b>(107 696)</b>	<b>80 781</b>	<b>181 232</b>	<b>(56 597)</b>	<b>124 635</b>

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Closing balance
Computer software	2 484	(1 353)	1 131
Furniture and fixtures	48 597	(5 336)	43 261
IT equipment	65 876	(35 602)	30 274
Office equipment	7 678	(1 563)	6 115
	<b>124 635</b>	<b>(43 854)</b>	<b>80 781</b>

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Computer software	3 838	-	(1 354)	2 484
Furniture and fixtures	58 440	45	(9 888)	48 597
IT equipment	74 996	25 013	(34 133)	65 876
Office equipment	7 555	1 530	(1 406)	7 678
	<b>144 829</b>	<b>26 588</b>	<b>(46 781)</b>	<b>124 635</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2018 R	2017 R
<b>3. TRADE AND OTHER RECEIVABLES</b>		
VAT	269 429	385 264
Deposits	22 200	22 200
LSC Loan Account	8 890	100 908
	<b>300 519</b>	<b>508 372</b>

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Bank balances	7 115 289	5 603 658
Cash on hand	38	38
	<b>7 115 327</b>	<b>5 603 696</b>

**5. TRADE AND OTHER PAYABLES**

Trade payables	173 830	304 885
Accrued leave pay	78 352	101 504
Accrued expense	-	191 343
Deposits received	12 000	-
	<b>264 182</b>	<b>597 732</b>

**6. DEFERRED INCOME**

Deferred income	4 451 711	2 522 378
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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 2018 the unspent sub-grant monies amounts to R 4,451,711 (2017: R 2,522,378) 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.

**Split between non-current and current portions**

Non-current liabilities	-	-
Current liabilities	4 451 711	2 522 378
	<b>4 451 711</b>	<b>2 522 378</b>

**7. REVENUE**

Funds and donations received	967 538	742 510
Grants Received - RCOG/LSC Funding	12 107 523	6 191 601
	<b>13 075 061</b>	<b>6 934 111</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
<b>8. CHARITABLE ACTIVITIES</b>		
<b>Funds distributed</b>		
RCOG/LSC - Salaries	4 266 178	3 237 373
RCOG/LSC - Programme expenses	6 098 776	2 587 209
Donations in kind	-	10 060
Workshop expenses	208 971	129 203
Data Collectors	1 031 354	-
	<b>11 605 279</b>	<b>5 963 845</b>
<b>Rendering of services</b>		
Equipment for programme team	15 648	107 690
Equipment donated	695 567	259 328
	<b>711 215</b>	<b>367 018</b>
	<b>12 316 494</b>	<b>6 330 863</b>
<b>9. OTHER INCOME</b>		
Sub-grant administration fees received	308 071	423 872
Prior year VAT adjustment	-	72 830
Miscellaneous income	-	2 847
Profit and loss on sale of assets and liabilities	20	-
Rental income	43 800	-
	<b>351 891</b>	<b>499 549</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**2018  
R**                      **2017  
R**

**10. OPERATING DEFICIT**

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

**Operating lease charges**

Lease rentals on operating lease		
• Contractual amounts	174 787	156 299
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Profit and loss on sale of asset	20	-
Depreciation on property, plant and equipment	43 853	46 781
Employee costs	1 123 654	2 017 068
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**11. INVESTMENT REVENUE**

**Interest revenue**

Bank	197 603	220 793
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**12. TAXATION**

No provision has been made for 2018 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.

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

Loss before taxation	(335 859)	(1 225 487)
<b>Adjustments for:</b>		
Depreciation and amortisation	43 853	46 781
Interest revenue	(197 603)	(220 793)
<b>Changes in working capital:</b>		
Trade and other receivables	207 854	(465 178)
Trade and other payables	(333 550)	381 513
Deferred income	1 929 333	596 491
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	<b>1 314 028</b>	<b>(886 673)</b>
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THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2018  
R

2017  
R

14. 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

14 036 856      6 788 092

The RCOG and The Western Cape Health Foundation NPC are independent entities by nature. There are no other relationship than the significant funds received from the RCOG.

15. DIRECTORS' REMUNERATION

**Executive**

**2018**

	<b>Emoluments</b>	<b>Total</b>
M Moyo	213 333	213 333
J van Niekerk	626 000	626 000
	<b>839 333</b>	<b>839 333</b>

**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>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**DETAILED INCOME STATEMENT**

	Notes	2018 R	2017 R
<b>REVENUE</b>			
Funds and donations received	7	967 538	742 510
Grants Received - RCOG	7	12 107 523	6 191 601
		<b>13 075 061</b>	<b>6 934 111</b>
<b>CHARITABLE ACTIVITIES</b>			
Funds distributed		(12 316 494)	(6 330 863)
<b>Net charitable income</b>		<b>758 567</b>	<b>603 248</b>
<b>OTHER INCOME</b>			
Administration and management fees received	9	308 071	423 872
Rental income	9	43 800	-
Miscellaneous income	9	-	2 847
Prior year VAT correction	9	-	72 830
Gains on disposal of assets	9	20	-
Investment revenue	11	197 603	220 793
		<b>549 494</b>	<b>720 342</b>
<b>Expenses (Refer to page 23)</b>		<b>(1 643 920)</b>	<b>(2 549 077)</b>
<b>Deficit for the year</b>		<b>(335 859)</b>	<b>(1 225 487)</b>

**THE WESTERN CAPE HEALTH FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

**DETAILED INCOME STATEMENT**

	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
<b>OPERATING EXPENSES</b>		
Accounting fees	4 207	9 372
Advertising and marketing	20 879	8 000
Auditors remuneration	27 150	25 680
Bank charges	6 060	5 014
BBBEE Compliance	1 100	1 100
Computer expenses	2 442	5 203
Depreciation	43 853	46 781
Employee costs	1 123 654	2 017 068
Entertainment	-	1 022
Insurance	9 565	9 075
Lease rentals on operating lease	174 787	156 299
Miscellaneous expense	2 075	4 957
Postage	230	-
Printing and stationery	22 463	24 044
Professional fees	125 000	131 044
Repairs and maintenance	572	4 492
Staff welfare	3 404	5 047
Subscriptions	1 768	5 066
Telephone and fax	19 833	27 020
Training	610	10 264
Travel - local	54 268	52 529
	<b>1 643 920</b>	<b>2 549 077</b>