



Centurion Hospice Association
(Registration number 030/479/NPO)
Financial statements
for the year ended 31 March 2016

Centurion Hospice Association
(Registration number 030/479/NPO)
Financial Statements for the year ended 31 March 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Caring for people living with life threatening diseases
Board of Governors	JR Byrne - Chairperson MB Du Preez PD Gohl - Treasurer L Loeve RS Witchell LI Witchell G Yselle
Auditors	MVB Chartered Accountants (S.A.) Registered Auditors

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

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Preparer

These financial statements were compiled under supervision of TJ O'Neil CA(SA)

Board's Responsibilities and Approval

The governors are required by the Relevant Acts, 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 association 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 governors acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the governors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The governors 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 governors have reviewed the association's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the association's financial statements. The financial statements have been examined by the association's external auditors and their report is presented on page 3.

The financial statements set out on pages 4 to 15, which have been prepared on the going concern basis, were approved by the on 15 July 2016 and were signed on its behalf by:

JR Byrne - Chairperson

PD Goh - Treasurer

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Independent Auditors' Report

To the members of Centurion Hospice Association

We have audited the financial statements of Centurion Hospice Association, as set out on pages 5 to 15, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Association's board are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Relevant Acts, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centurion Hospice Association as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Relevant Acts.

MVB
Registered Auditors

Per: 
T.J. O'NEIL CA(SA)

15 July 2016

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Governors' Report

The governors have pleasure in submitting their report on the financial statements of Centurion Hospice Association and its associates for the year ended 31 March 2016.

1. Nature of business

Centurion Hospice Association was incorporated in South Africa with interests in the Medical Services industry. The association operates in South Africa.

2. 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 Relevant Acts. The accounting policies have been applied consistently compared to the prior year.

3. Governors

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

Governors
JR Byrne - Chairperson
MB Du Preez
PD Gohl - Treasurer
L Loeve
RS Witchell
LI Witchell
G Yselle

4. Property, plant and equipment

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

At 31 March 2016 the association's investment in property, plant and equipment amounted to R863 653 (2015:R975 720), of which R38 466 (2015: R184 438) was added in the current year through additions.

5. Auditors

MVB were appointed in office as auditors for the association for 2016.

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Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	863 653	975 720
Current Assets			
Inventories	4	30 540	17 716
Other financial assets	3	978 244	1 307 882
Trade and other receivables	5	161 578	402 548
Cash and cash equivalents	6	269 582	83 427
		<u>1 439 944</u>	<u>1 811 573</u>
Total Assets		<u>2 303 597</u>	<u>2 787 293</u>
Equity and Liabilities			
Equity			
Retained income		1 958 488	2 470 629
Liabilities			
Current Liabilities			
Other financial liabilities	7	133 449	139 812
Trade and other payables	8	211 660	176 852
		<u>345 109</u>	<u>316 664</u>
Total Equity and Liabilities		<u>2 303 597</u>	<u>2 787 293</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue			
Bargain shop		2 758 559	2 324 278
Donations		645 365	640 460
Government grants		202 755	39 647
Membership fees		1 600	4 035
Sponsorships		1 754	-
Rendering of services		970 682	362 192
Rental Income		195 611	153 839
	9	<u>4 776 326</u>	<u>3 524 451</u>
Cost of sales			
Opening stock		(17 716)	-
Purchases		(355 559)	(353 393)
Closing stock		30 540	17 716
	10	<u>(342 735)</u>	<u>(335 677)</u>
Gross profit		4 433 591	3 188 774
Other income			
Discount received		40 019	8 699
Grants and subsidies		19 200	1 037 124
Insurance proceeds		-	22 557
Interest received	12	85 362	63 419
Recoveries		(209 639)	213 084
Recycling		16 463	12 067
		<u>(48 595)</u>	<u>1 356 950</u>
Expenses (Refer to page 7)		(4 896 334)	(3 265 233)
Operating (loss) profit		<u>(511 338)</u>	<u>1 280 491</u>
Finance costs	13	(803)	(1 277)
(Loss) profit for the year		<u>(512 141)</u>	<u>1 279 214</u>
Total comprehensive (loss) income for the year		<u>(512 141)</u>	<u>1 279 214</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Operating expenses			
Accounting fees		177 378	46 234
Advocacy and campaigning		25 831	99 007
Auditors remuneration	14	60 610	23 500
Bad debts		29 915	-
Bank charges		81 128	60 630
Computer expenses		50 464	15 855
Depreciation, amortisation and impairments		150 533	130 899
Employee costs		3 065 544	1 975 357
Entertainment		14 153	12 376
Fines and penalties		9 596	6 199
Grants		194 569	6 193
Human resources		44 690	8 082
Insurance		81 021	61 786
Motor vehicle expenses		4 082	3 988
Municipal expenses		217 370	223 846
Petrol and oil		21 218	23 277
Petty cash expenses/written off		1 172	65 731
Printing and stationery		20 671	21 275
Refreshments		12 386	52 648
Repairs and maintenance		237 188	124 530
Security		243 641	121 873
Software expenses		3 555	12 229
Staff welfare		19 889	41 609
Subscriptions		2 777	7 732
Telephone and fax		109 688	99 225
Training		14 406	20 709
Travel - local		2 859	443
		<u>4 896 334</u>	<u>3 265 233</u>

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2014	1 460 619	1 460 619
Profit for the year	1 279 214	1 279 214
Other comprehensive income	-	-
Total comprehensive income for the year	1 279 214	1 279 214
Opening balance corrections	(269 204)	(269 204)
Total contributions by and distributions to owners recognised directly in equity	(269 204)	(269 204)
Balance at 01 April 2015	2 470 629	2 470 629
Loss for the year	(512 141)	(512 141)
Other comprehensive income	-	-
Total comprehensive loss for the year	(512 141)	(512 141)
Balance at 31 March 2016	1 958 488	1 958 488
Note(s)		



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Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash (used in) generated from operations	15	(183 213)	1 069 309
Interest income		85 362	63 419
Finance costs		(803)	(1 277)
Net cash from operating activities		<u>(98 654)</u>	<u>1 131 451</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(38 466)	(184 438)
Sale of financial assets		329 638	(627 419)
Opening balance differences	16	-	(39 423)
Net cash from investing activities		<u>291 172</u>	<u>(851 280)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(6 363)	(546 971)
Net cash from financing activities		<u>(6 363)</u>	<u>(546 971)</u>
Total cash movement for the year		186 155	(266 800)
Cash at the beginning of the year		83 427	350 228
Total cash at end of the year	6	<u>269 582</u>	<u>83 428</u>

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Relevant Acts. 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 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, 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 includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs 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, which is as follows:

Item	Average useful life
Buildings	20 years
Kitchen equipment	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Medical equipment	6 years
Park home	10 years
Security equipment	5 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

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.

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

1.3 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.4 Impairment of assets

The association assesses at each reporting date whether there is any indication that an asset may be impaired.

Accounting Policies

1.4 Impairment of assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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.

1.5 Borrowing costs

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

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Notes to the Financial Statements

Figures in Rand 2016 2015

2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Buildings	1 583 653	(876 556)	707 097	1 583 653	(797 373)	786 280
Kitchen equipment	15 540	(12 303)	3 237	15 540	(9 713)	5 827
Motor vehicles	240 180	(240 180)	-	240 180	(240 180)	-
Office equipment	84 144	(84 144)	-	84 144	(84 144)	-
IT equipment	85 158	(78 649)	6 509	61 918	(50 130)	11 788
Computer software	15 226	(15 226)	-	-	-	-
Medical equipment	35 886	(8 839)	27 047	35 886	(4 767)	31 119
Security equipment	60 466	(18 140)	42 326	60 466	(6 047)	54 419
Park home	88 500	(11 063)	77 437	88 500	(2 213)	86 287
Total	2 208 753	(1 345 100)	863 653	2 170 287	(1 194 567)	975 720

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Buildings	786 280	-	(79 183)	707 097
Furniture and fixtures	5 827	-	(2 590)	3 237
IT equipment	11 788	23 240	(28 519)	6 509
Computer software	-	15 226	(15 226)	-
Medical equipment	31 119	-	(4 072)	27 047
Security equipment	54 419	-	(12 093)	42 326
Park home	86 287	-	(8 850)	77 437
	975 720	38 466	(150 533)	863 653

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Buildings	865 462	-	-	(79 182)	786 280
Books and manuals	1	-	(1)	-	-
Furniture and fixtures	87 103	-	(78 686)	(2 590)	5 827
Motor vehicles	82 773	-	(71 545)	(11 228)	-
Office equipment	82 300	-	(68 276)	(14 024)	-
IT equipment	16 301	15 839	(8 809)	(11 543)	11 788
Computer software	1	-	(1)	-	-
Medical Equipment	18 021	19 633	(2 463)	(4 072)	31 119
Property, plant and equipment 2	-	60 466	-	(6 047)	54 419
Other property, plant and equipment	-	88 500	-	(2 213)	86 287
	1 151 962	184 438	(229 781)	(130 899)	975 720

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Notes to the Financial Statements

Figures in Rand	2016	2015
Details of properties		
Lyttelton Manor Ext 3,2447,1 & 2		
Portion 1 of Erf2447, Lyttelton Manor Extension 3 Township, in extent 1,0437 ha. Portion 2 of Erf 2447, Lyttelton Manor Extension 3 Township, in extent 2 900 square meters. Held under Title Deed T52733/2003.		
- Donation: 08/05/2003	1 259 437	1 259 437
- Improvements at cost	324 216	324 216
	<u>1 583 653</u>	<u>1 583 653</u>
3. Other financial assets		
At amortised cost		
ABSA Investment account	1 655	1 655
Investec	976 589	1 306 227
	<u>978 244</u>	<u>1 307 882</u>
Current assets		
At amortised cost	<u>978 244</u>	<u>1 307 882</u>
4. Inventories		
Medical supplies and consumables	24 501	13 705
Bargain shop refreshments	6 039	4 011
	<u>30 540</u>	<u>17 716</u>
5. Trade and other receivables		
Deposits	5 570	2 560
Staff loans	1 210	250
Trade receivables	132 622	254 853
VAT	22 176	144 885
	<u>161 578</u>	<u>402 548</u>
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	190 452	82 327
Other cash and cash equivalents	79 130	1 100
	<u>269 582</u>	<u>83 427</u>



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Notes to the Financial Statements

Figures in Rand	2016	2015
7. Other financial liabilities		
At amortised cost		
Credit card	-	16
Other financial liability	-	6 347
NLDTF Funds	133 449	133 449
	<u>133 449</u>	<u>139 812</u>
Current liabilities		
At amortised cost	<u>133 449</u>	<u>139 812</u>
8. Trade and other payables		
Trade payables	168 774	177 839
Deposits received	14 020	10 855
Other payables	28 866	(11 842)
	<u>211 660</u>	<u>176 852</u>
9. Revenue		
Donations	645 365	640 460
Government grants	202 755	39 647
Miscellaneous other revenue	1 754	-
Rendering of services	970 682	362 192
Rental Income	195 611	153 839
Sale of goods	2 758 559	2 324 278
Membership fees	1 600	4 035
	<u>4 776 326</u>	<u>3 524 451</u>
10. Cost of sales		
Rendering of services		
Cost of services	<u>342 735</u>	<u>335 677</u>



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Notes to the Financial Statements

Figures in Rand	2016	2015
11. Other income		
Discount received	40 019	8 699
Insurance proceeds	-	22 557
Grants and subsidies	19 200	1 037 124
Recoveries	(209 639)	213 084
Recycling	16 463	12 067
	<u>(133 957)</u>	<u>1 293 531</u>
12. Investment revenue		
Interest revenue		
Bank	<u>85 362</u>	<u>63 419</u>
13. Finance costs		
Interest paid	<u>803</u>	<u>1 277</u>
14. Auditors' remuneration		
Previous year fee	<u>60 610</u>	<u>23 500</u>
15. Cash (used in) generated from operations		
(Loss) profit before taxation	(512 141)	1 279 214
Adjustments for:		
Depreciation and amortisation	150 533	130 899
Interest received - investment	(85 362)	(63 419)
Finance costs	803	1 277
Changes in working capital:		
Inventories	(12 824)	(17 716)
Trade and other receivables	240 970	(359 771)
Trade and other payables	34 808	98 825
	<u>(183 213)</u>	<u>1 069 309</u>
16. Opening balance differences		
Opening balance differences		
Prior year corrections	<u>-</u>	<u>(39 423)</u>