



Centurion Hospice Association
(Registration number 030/479/NPO)
Financial statements
for the year ended 31 March 2017

Centurion Hospice Association
(Registration number 030/479/NPO)
Financial Statements for the year ended 31 March 2017

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	Jack R Byrne - Chairman Len Loeve - Vice-Chairman Philip D Gohl - Secretary Rob Wesseloo - Treasurer Rob S Witchell Sybil LS Witchell Dr Izak Maree
Auditors	MVB Chartered Accountants (SA) Registered Auditor

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

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Preparer

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

Centurion Hospice Association

(Registration number 030/479/NPO)

Financial Statements for the year ended 31 March 2017

Board's Responsibilities and Approval

The governors are required by the , 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 auditor's is 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 2018 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 auditor's are responsible for independently auditing and reporting on the association's financial statements. The financial statements have been examined by the association's external auditor's and their report is presented on page 3.

The financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the on 17 July 2017 and were signed on its behalf by:

Approval of financial statements



JR Byrne - Chairperson



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Independent Auditor's Report

To the members of Centurion Hospice Association

Opinion

We have audited the financial statements of Centurion Hospice Association set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2017, 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 Centurion Hospice Association as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Department of Social Development.

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 Association's board are responsible for the other information. The other information comprises the Governors 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.

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 associations board 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 associations board 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 associations board either intend to liquidate the association 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:

Independent Auditor's Report

- 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 association's board.
- Conclude on the appropriateness of the association's board 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 association'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 association 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 association's board 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.

MVB

Registered Auditors

Per: 

T.J. O'Neil CA(SA)

21 August 2017

Centurion Hospice Association
(Registration number 030/479/NPO)
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Governors' Report

The governors have pleasure in submitting their report on the financial statements of Centurion Hospice Association for the year ended 31 March 2017.

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 Companies Act 71 of 2008. 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	Changes
Jack R Byrne - Chairman	
Len Loeve - Vice-Chairman	
Philip D Gohl - Secretary	
Rob Wesseloo - Treasurer	
Rob S Witchell	
Sybil LS Witchell	
Dr Izak Maree	
Max B du Preez	
	Appointed 01 September 2016
	Appointed 01 September 2016
	Appointed 01 December 2016
	Resigned 01 December 2016

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 2017 the association's investment in property, plant and equipment amounted to R754,899 (2016: R863,653), of which R8,724 (2016: R38,466) was added in the current year through additions.

5. Auditors

MVB continued in office as auditors for the association for 2017.

Centurion Hospice Association
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Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	754,899	863,653
Current Assets			
Inventories	4	44,671	30,540
Trade and other receivables	5	362,281	160,368
Other financial assets	3	333,091	978,244
Cash and cash equivalents	6	87,282	269,582
		<u>827,325</u>	<u>1,438,734</u>
Total Assets		<u>1,582,224</u>	<u>2,302,387</u>
Equity and Liabilities			
Equity			
Retained income		1,025,364	1,958,488
Liabilities			
Current Liabilities			
Trade and other payables	8	423,411	210,450
Other financial liabilities	7	133,449	133,449
		<u>556,860</u>	<u>343,899</u>
Total Equity and Liabilities		<u>1,582,224</u>	<u>2,302,387</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue			
Bargain shop		3,308,150	2,758,559
Rendering of services		664,369	970,682
Rental Income		267,246	195,611
Sponsorships		-	1,754
Government grants		113,717	202,755
Membership fees		1,400	1,600
Donations		183,744	645,365
	9	<u>4,538,626</u>	<u>4,776,326</u>
Cost of sales			
Opening stock		(30,540)	(17,716)
Purchases		(344,538)	(355,559)
Closing stock		44,671	30,540
	10	<u>(330,407)</u>	<u>(342,735)</u>
Gross profit		4,208,219	4,433,591
Other income			
Discount received		-	40,019
Recoveries		30,353	(209,639)
Insurance proceeds		5,206	-
Grants and subsidies		-	19,200
Recycling		16,928	16,463
Interest received	12	54,910	85,362
		<u>107,397</u>	<u>(48,595)</u>
Expenses (Refer to page 8)		(5,247,145)	(4,896,334)
Operating loss		(931,529)	(511,338)
Finance costs	13	(1,595)	(803)
Loss for the year		(933,124)	(512,141)
Other comprehensive income		-	-
Total comprehensive loss for the year		(933,124)	(512,141)

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Operating expenses			
Accounting fees		233,834	177,378
Advocacy and campaigning		39,600	25,831
Auditors remuneration	14	18,500	60,610
Bad debts		(145)	29,915
Bank charges		91,856	81,128
Computer expenses		22,755	50,464
Depreciation, amortisation and impairments		117,478	150,533
Employee costs		3,597,246	3,065,544
Entertainment		10,908	14,153
Refreshments		16,099	12,386
Grants		136,800	194,569
Human resources		76,577	44,690
Petty cash expenses/written off		(360)	1,172
SARS Interest and Penalties		5,162	-
Penalties and legal charges		13,947	9,596
Insurance		79,319	81,021
Motor vehicle expenses		5,278	4,082
Municipal expenses		403,217	217,370
Petrol and oil		28,651	21,218
Printing and stationery		34,288	20,671
Repairs and maintenance		86,968	237,188
Security		42,723	243,641
Software expenses		10,872	3,555
Staff welfare		44,576	19,889
Subscriptions		1,982	2,777
Telephone and fax		104,672	109,688
Training		22,756	14,406
Travel - local		1,586	2,859
		5,247,145	4,896,334

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
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 01 April 2016	1,958,488	1,958,488
Loss for the year	(933,124)	(933,124)
Other comprehensive income	-	-
Total comprehensive loss for the year	(933,124)	(933,124)
Balance at 31 March 2017	1,025,364	1,025,364
Note(s)		

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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 . 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 is carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

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

Land is not depreciated.

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

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Inventories

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

Accounting Policies

1.4 Impairment of assets

The association assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill 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.

1.5 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 2017 2016

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,583,653	(955,739)	627,914	1,583,653	(876,556)	707,097
Aircon	8,724	(364)	8,360	-	-	-
Kitchen equipment	15,540	(14,892)	648	15,540	(12,303)	3,237
Motor vehicles	240,180	(240,180)	-	240,180	(240,180)	-
Office equipment	84,144	(84,144)	-	84,144	(84,144)	-
IT equipment	85,158	(85,158)	-	85,158	(78,649)	6,509
Computer software	-	-	-	15,226	(15,226)	-
Medical equipment	35,886	(16,729)	19,157	35,886	(8,839)	27,047
Security equipment	60,466	(30,233)	30,233	60,466	(18,140)	42,326
Park home	88,500	(19,913)	68,587	88,500	(11,063)	77,437
Total	2,202,251	(1,447,352)	754,899	2,208,753	(1,345,100)	863,653

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Land and Buildings	707,097	-	(79,183)	627,914
Aircon	-	8,724	(364)	8,360
Furniture and fixtures	3,237	-	(2,589)	648
IT equipment	6,509	-	(6,509)	-
Medical equipment	27,047	-	(7,890)	19,157
Security equipment	42,326	-	(12,093)	30,233
Park home	77,437	-	(8,850)	68,587
	863,653	8,724	(117,478)	754,899

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
Medical Equipment	-	15,226	(15,226)	-
Park Home	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

Details of properties

Lytelton Manor Ext 3,2447,1 & 2

Terms and conditions		
- Donation: 08/05/2003	1,259,437	1,259,437
- Improvements at cost	324,216	324,216
	1,583,653	1,583,653

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Notes to the Financial Statements

Figures in Rand	2017	2016
3. Other financial assets		
At amortised cost		
ABSA Investment account	1,655	1,655
Investec	331,436	976,589
	<u>333,091</u>	<u>978,244</u>
Current assets		
At amortised cost	<u>333,091</u>	<u>978,244</u>
4. Inventories		
Medical supplies and consumables	38,355	24,501
Bargain shop refreshments	6,316	6,039
	<u>44,671</u>	<u>30,540</u>
5. Trade and other receivables		
Deposits	5,050	5,570
Leave Pay	22,648	-
Trade receivables	334,583	132,622
VAT	-	22,176
	<u>362,281</u>	<u>160,368</u>
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	62,531	190,452
Other cash and cash equivalents	24,751	79,130
	<u>87,282</u>	<u>269,582</u>

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Figures in Rand	2017	2016
7. Other financial liabilities		
At amortised cost		
NLDTF Funds	133,449	133,449
Current liabilities		
At amortised cost	133,449	133,449
8. Trade and other payables		
Trade payables	333,624	168,774
VAT	3,913	-
Staff Loans/Advances	325	(1,210)
Deposits received	17,904	14,020
Other payables	67,645	28,866
	<u>423,411</u>	<u>210,450</u>
9. Revenue		
Donations	183,744	645,365
Government grants	113,717	202,755
Miscellaneous other revenue	-	1,754
Rendering of services	664,369	970,682
Rental Income	267,246	195,611
Sale of goods	3,308,150	2,758,559
Membership fees	1,400	1,600
	<u>4,538,626</u>	<u>4,776,326</u>
10. Cost of sales		
Rendering of services		
Cost of services	330,407	342,735
11. Other income		
Discount received	-	40,019
Recoveries	30,353	(209,639)
Electricity usage	5,206	-
Grants and subsidies	-	19,200
Recycling	16,928	16,463
	<u>52,487</u>	<u>(133,957)</u>
12. Investment revenue		
Interest revenue		
Bank	54,910	85,362
13. Finance costs		
Interest paid	1,595	803

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Notes to the Financial Statements

Figures in Rand	2017	2016
14. Auditor's remuneration		
Previous year fee	18,500	60,610
15. Cash used in operations		
Loss before taxation	(933,124)	(512,141)
Adjustments for:		
Depreciation and amortisation	117,478	150,533
Interest received	(54,910)	(85,362)
Finance costs	1,595	803
Changes in working capital:		
Inventories	(14,131)	(12,824)
Trade and other receivables	(201,913)	241,930
Trade and other payables	212,961	33,848
	(872,044)	(183,213)

J