

**KWACARE NON-PROFIT COMPANY**  
**(Registration No. 2000/005376/08)**

**ANNUAL FINANCIAL STATEMENTS**  
**29 FEBRUARY 2016**

**KWACARE NON-PROFIT COMPANY**  
**(Registration No. 2000/005376/08)**

**ANNUAL FINANCIAL STATEMENTS**  
**29 FEBRUARY 2016**

The following reports and statements are presented in compliance with the Companies Act No. 71 of 2008:

<b>Contents</b>	<b>Pages</b>
Directors' Responsibilities and Approval	2
Independent Auditor's Report	3 - 4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Annual Financial Statements	10 - 16

The following supplementary information does not form part of the statutory components of the annual financial statements and is presented solely for the information of management. Accordingly, we do not express an opinion on this information.

Detailed Statement of Comprehensive Income	17
--	----

**Level of assurance**

These annual financial statements have been compiled in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities as per the requirements of the Companies Act No. 71 of 2008.

**Preparer**

These annual financial statements have been prepared by LFH Accountants and Auditors Inc. under the supervision of M van Huyssteen CA(SA).

**Published**

05 October 2016

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**  
**29 FEBRUARY 2016**

The directors of the company are required by the Companies Act No. 71 of 2008, to maintain adequate accounting records, and are responsible for the content, preparation and integrity of the annual financial statements and related 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 at the end of the financial year and the results of its operations and cash flows for the year 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 of the fair presentation of 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 have placed considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors have set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include 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 a 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 directors are satisfied that the company has or has access to adequate resources to continue in operational existence in the foreseeable future.

The external auditors are responsible for the performance of an independent audit and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 and 4.

The annual financial statements and supplementary information as set out on pages 5 to 17 which have been prepared on the going concern basis, have been approved by the directors and are signed on their behalf by:

  
Director

Westville  
05 October 2016

  
Director



**LIEBENBERG FRASER HOPLEY**  
ACCOUNTANTS & AUDITORS INC.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KWACARE NON-PROFIT COMPANY  
(Registration No. 2000/005376/08)**

**Report on the annual financial statements**

We have audited the annual financial statements of Kwacare NPC, which comprise the statement of financial position at 29 February 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 16.

**Directors' responsibility for the annual financial statements**

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements fairly present, in all material aspects, the financial position of Kwacare Non-Profit Company at 29 February 2016, and its financial performance and its 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 No. 71 of 2008.



**LIEBENBERG FRASER HOPLEY**  
ACCOUNTANTS & AUDITORS INC.

**Other reports required by the Companies Act No. 71 of 2008**

As part of our audit of the annual financial statements for the year ended 29 February 2016, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The directors' report is the responsibility of the directors. Based on reading the directors' report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

**Supplementary information**

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 17 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion on it.

**M van Huyssteen CA(SA)**  
LFH Accountants and Auditors Inc.  
Chartered Accountants (SA)  
Registered Auditors

Kloof  
05 October 2016

**KWACARE NON-PROFIT COMPANY**  
**(Registration No. 2000/005376/08)**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 29 February 2016.

**Main business and operations**

Kwacare Non-Profit Company is a company incorporated in the Republic of South Africa, and is administered in accordance with the provisions set out in the Companies Act No. 71 of 2008. The principal activity of the company is social upliftment of the community.

**Going concern**

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

**Financial results**

The results of the company for the year under review are fully set out in the attached annual financial statements and require no further comment.

**Events after the reporting period**

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

**Directors**

The board of directors of the non-profit company during the accounting period and up to the date of this report were as follows:

J Curle - Chairperson  
F Des Fontaine  
J Baumgardt  
M Myeza

**Liquidity and solvency**

The directors have performed the required liquidity and solvency tests required by the Companies Act No. 71 of 2008.

**Auditors**

LFH Accountants and Auditors Inc. will continue in office in accordance with the provisions of the Companies Act No. 71 of 2008.

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**STATEMENT OF FINANCIAL POSITION**  
**AT 29 FEBRUARY 2016**

	Notes	2016 R	2015 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>659 054</b>	<b>636 047</b>
Investment property	2	441 347	441 347
Plant and equipment	3	201 461	194 700
Loans receivable	4	16 246	-
<b>Current assets</b>		<b>192 292</b>	<b>251 763</b>
Cash and cash equivalents	5	192 292	251 763
<b>Total assets</b>		<b><u>851 346</u></b>	<b><u>887 810</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>746 537</b>	<b>780 222</b>
Accumulated surplus		746 537	780 222
<b>Non-current liabilities</b>		<b>53 996</b>	<b>61 295</b>
Long-term borrowings	6	53 996	61 295
<b>Current liabilities</b>		<b>50 813</b>	<b>46 293</b>
Trade and other payables	7	36 825	26 686
Loans payable	8	-	6 041
Current portion of long-term borrowings	6	13 988	13 566
<b>Total equity and liabilities</b>		<b><u>851 346</u></b>	<b><u>887 810</u></b>

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Notes	2016 R	2015 R
Revenue		1 499 994	1 319 655
Other income		107 106	113 009
		<u>1 607 100</u>	<u>1 432 664</u>
Project costs		(1 175 175)	(1 300 632)
		<u>431 925</u>	<u>132 032</u>
Operating expenses		(459 847)	(480 449)
Finance costs		(5 763)	(6 042)
Loss before taxation		<u>(33 685)</u>	<u>(354 459)</u>
Taxation	9	-	-
Loss for the year		<u><u>(33 685)</u></u>	<u><u>(354 459)</u></u>



**KWACARE NON-PROFIT COMPANY**  
**(Registration No. 2000/005376/08)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	<b>Accumulated surplus R</b>	<b>Total R</b>
<b>Balance at 28 February 2014</b>	<b>1 134 681</b>	<b>1 134 681</b>
Loss for the year	(354 459)	(354 459)
<b>Balance at 28 February 2015</b>	<b>780 222</b>	<b>780 222</b>
Loss for the year	(33 685)	(33 685)
<b>Balance at 29 February 2016</b>	<b>746 537</b>	<b>746 537</b>

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Notes	2016 R	2015 R
<b>Cash flows from operating activities</b>		<b>72 696</b>	<b>(251 325)</b>
Cash receipts from donors		1 499 994	1 319 655
Cash paid to suppliers and employees		(1 528 342)	(1 677 947)
Cash flows utilised by operations	10.1	(28 348)	(358 292)
Interest paid		(5 763)	(6 042)
Interest received		9 906	19 414
Sundry income		96 901	93 595
<b>Cash flows from investing activities</b>		<b>(125 290)</b>	<b>(67 683)</b>
Purchase of plant and equipment		(103 003)	(80 767)
Movements of loans receivable		(16 246)	13 084
Movements of loans payable		(6 041)	-
<b>Cash flows from financing activities</b>		<b>(6 877)</b>	<b>(6 234)</b>
Movement of long-term borrowings		(6 877)	(6 234)
<b>Cash and cash equivalents movement for the year</b>		<b>(59 471)</b>	<b>(325 242)</b>
Cash and cash equivalents at beginning of year		251 763	577 005
Cash and cash equivalents at end of year	10.2	<u>192 292</u>	<u>251 763</u>

**KWCARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**1. Accounting policies**

**1.1 Presentation of annual financial statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No. 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 Rand.

These accounting policies are consistent with the previous period.

**1.2 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgements include:

*Financial assets measured at cost and amortised cost*

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting date.

In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

*Impairment testing*

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

*Provisions*

Provisions were raised and management determined an estimate based on the information available.

*Taxation*

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income.

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the statement of financial position date could be impacted.

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**1.3 Investment property**

Investment property is property held to earn rentals or for capital appreciation or both, rather than use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

The cost of purchased and self-constructed investment property comprises its purchase price and any directly attributable expenditure incurred. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Investment property is initially recognised at cost.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.

This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**1.4 Plant and equipment**

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.

Costs include costs incurred initially to acquire or construct an item of 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 plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of plant and equipment.

This includes cost incurred to bring the plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

<u>Item</u>	<u>Average useful life</u>
Computer equipment	3 - 5 years
Containers	5 years
Motor Vehicles	5 years
Furniture and fittings	5 - 6 years
Office equipment	1 year

The residual value, depreciation method and the useful life of plant and equipment are reviewed at each annual reporting date for any present indicators of a change in the current residual value, depreciation method and useful life of the plant and equipment.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

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

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**1.5 Financial instruments**

*Financial instruments at amortised cost*

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period 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.

*Financial instruments at cost*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instrument measured at amortised cost, are measured at cost less impairment.

*Financial instruments at fair value*

All other financial instruments are measured at fair value through profit and 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 paid vacation leave 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.

*Defined contribution plans*

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

*Defined benefit plans*

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately.

Any cumulative unrecognised actuarial gain or loss is recognised in profit or loss in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the statement of comprehensive income, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

*Termination benefits*

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting period date.

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

**1.7 Provisions and contingencies**

Provisions are recognised when:

- the company has an obligation at the reporting period date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised on the statement of financial position, but are disclosed as a note where necessary.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

**1.8 Revenue**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax.

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

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

When the inflow of cash and cash equivalents is deferred, the fair value of the consideration receivable is the present value of all future receipts using the imputed rate of interest.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

**1.9 Cash and cash equivalents**

Cash and cash equivalents are carried on the statement of financial position at cost.

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**1.10 Trade and other payables**

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

*Accrued expenditure*

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

**2. Investment property**

	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Balfour House	441 347	-	441 347	441 347	-	441 347

The carrying amount for 2015 can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Other R	Accumulated depreciation R	Carrying value at the end of the year R
	Balfour House	441 347	-	-	-	-

Investment property is described as: Erf 3200 situated at number 4 Balfour Road in Pinetown, KwaZulu Natal, and is in the extent of 1342 square meters.

**3. Plant and equipment**

	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Computer equipment	96 439	(75 233)	21 206	88 399	(51 751)	36 648
Containers	53 000	(24 867)	28 133	53 000	(14 267)	38 733
Motor vehicles	234 314	(171 830)	62 484	234 314	(124 967)	109 347
Furniture and fittings	40 736	(8 078)	32 658	13 368	(3 399)	9 969
Office equipment	74 777	(17 797)	56 980	1 283	(1 280)	3
	499 266	(297 805)	201 461	390 364	(195 664)	194 700

The carrying amounts for 2016 can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Other R	Depreciation R	Carrying value at end of year R
	Computer equipment	36 648	5 641	-	-	(21 083)
Containers	38 733	-	-	-	(10 600)	28 133
Motor vehicles	109 347	-	-	-	(46 863)	62 484
Furniture and fittings	9 969	27 368	-	-	(4 679)	32 658
Office equipment	3	69 994	-	-	(13 017)	56 980
	194 700	103 003	-	-	(96 242)	201 461

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2016**

	2016	2015
	R	R
<b>4. Loans receivable</b>		
<i>His Church - KwaDebeka</i>		
Balance at beginning of year	-	121
Advances	-	30 612
Repayments	-	(30 733)
Balance at end of year	<u>-</u>	<u>-</u>
<i>Crusades</i>		
Balance at beginning of year	-	-
Advances	-	7 715
Repayments	-	(7 715)
Balance at end of year	<u>-</u>	<u>-</u>
<i>KwaEnterprise Development</i>		
Balance at beginning of year	-	6 922
Advances	-	273
Repayments	-	(7 195)
Balance at end of year	<u>-</u>	<u>-</u>
<i>His Church</i>		
Balance at beginning of year	(6 041)	-
Advances	189 542	-
Repayments	(167 255)	-
Balance at end of year	<u>16 246</u>	<u>-</u>
	<u>16 246</u>	<u>-</u>

The above loan is unsecured, bears no interest and repayments for the next 12 months are expected.

<b>5. Cash and cash equivalents</b>		
Petty cash	16 383	13 317
ABSA - current account	53 241	64 324
ABSA - Market Link account	100 871	169 285
First National Bank - current account	21 797	4 837
	<u>192 292</u>	<u>251 763</u>
<b>6. Long-term borrowings</b>		
ABSA Limited Access Mortgage Bond		
Balance outstanding	67 984	74 861
Less: Current portion of long-term liabilities	(13 988)	(13 566)
	<u>53 996</u>	<u>61 295</u>

Loan bearing interest at 8.75% (2015: 7%) per annum secured by a mortgage on the company's investment property as disclosed in note 2 and repayable in monthly instalments of R1 615.34 (2015: R1 560.06).



**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	2016	2015
	R	R
<b>7. Trade and other payables</b>		
Sundry creditors	20 125	26 686
Renovations - Natasha clerk	16 700	-
	36 825	26 686
<b>8. Loans payable</b>		
<i>His Church</i>		
Balance at beginning of year	-	-
Advances	-	10 407
Repayments	-	(16 448)
Balance at end of year	-	(6 041)
The above loan was unsecured, beared no interest and the loan was paid in full during the current year.		
<b>9. Taxation</b>		
No provision has been made for SA Normal taxation as the company is exempt from taxation in terms of Section 10(1)(c) of the Income Tax Act.	-	-
<b>10. Notes to the statement of cash flows</b>		
<b>10.1 Reconciliation of loss before taxation to cash flows from operating activities</b>		
Loss before taxation	(33 685)	(354 459)
Adjustments for:		
Depreciation	96 242	102 272
Interest paid	5 763	6 042
Interest received	(9 906)	(19 414)
Loss on disposal of plant and equipment	-	10 667
Sundry income	(96 901)	(93 595)
Operating loss before working capital changes	(38 487)	(348 487)
Working capital changes		
Trade and other payables	10 139	(9 805)
Cash utilised by operations	(28 348)	(358 292)
<b>10.2 Cash and cash equivalents</b>		
Cash on hand	16 383	13 317
Bank balances	175 909	238 446
	192 292	251 763
<b>11. Related party disclosure</b>		
Kwacare is the ministry of His Church, which is an associate organisation and includes transactions disclosed in note 4 and the following:		
Rent paid	25 000	36 000

**KWACARE NON-PROFIT COMPANY**  
(Registration No. 2000/005376/08)

**DETAILED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	2016 R	2015 R
<b>Revenue</b>	1 499 994	1 319 655
Donations	1 499 994	1 319 655
<b>Other income</b>	107 106	113 009
Balfour House - rental income	97 200	92 595
Insurance payout	-	1 000
Interest received	9 906	19 414
	<u>1 607 100</u>	<u>1 432 664</u>
<b>Project costs</b>	1 175 175	1 300 632
	<u>431 925</u>	<u>132 032</u>
<b>Operating expenditure</b>	459 847	480 449
Accounting fees	45 930	37 053
Audit fees	-	35 351
Bank charges	23 114	15 572
Black Economic Empowerment Certification	2 495	5 472
Computer expenses	-	1 784
Consumables	2 816	-
Depreciation	96 242	102 272
Directors gifts	-	420
Electricity and water	14 401	6 514
Employee costs	139 324	128 359
Fines	-	300
General expenses	16 778	16 493
Health and safety	-	71
Insurance	30 671	24 210
Landfill charges	-	735
Loss on disposal of plant and equipment	-	10 667
Motor vehicle expenses	13 679	11 537
Office equipment	-	95
Postage, printing and stationery	8 324	13 292
Refreshments and teas	-	775
Rent paid	25 000	36 000
Repairs and maintenance	-	3 193
Security	21 292	1 169
Staff gifts	-	4 000
Staff training	1 210	8 880
Subscriptions	58	1 815
Telephone and fax	18 513	14 420
<b>Finance costs</b>	5 763	6 042
Interest paid	5 763	6 042
<b>Loss before taxation</b>	<u>(33 685)</u>	<u>(354 459)</u>
<b>Taxation</b>	-	-
<b>Loss for the year</b>	<u><u>(33 685)</u></u>	<u><u>(354 459)</u></u>