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

ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2017

LIEBENBERG
FRASER
HOPLEY
ACCOUNTANTS & AUDITORS INC

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

ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2017

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

Level of assurance
These annual financial statements have been compiled in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and audited in the manner required by 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
17 November 2017

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

DIRECTORS' RESPONSIBILITIES AND APPROVAL
28 FEBRUARY 2017

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 to 5.

The annual financial statements and supplementary information as set out on pages 6 to 18, which have been prepared on the going concern basis, have been approved by the directors and are signed on their behalf by:

Director

Director

Westville
17 November 2017

LIEBENBERG FRASER HOPLEY

ACCOUNTANTS & AUDITORS INC.

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

Qualified opinion

We have audited the annual financial statements of Kwacare Non-Profit Company set out on pages 7 to 17, which comprise the statement of financial position at 28 February 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Kwacare Non-Profit Company at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act No. 71 of 2008.

Basis for qualified opinion

In common with similar organisations, it is not feasible to institute accounting control over cash collections prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the annual 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 annual 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 (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act No. 71 of 2008. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

LFH Accountants and Auditors Inc.
Reg No. 1998/012859/21
T: 031 764 0060 | F: 031 764 0155
5 Park Lane, Kloof, 3610 | PO Box 745, Kloof, 3640
admin@lfhinc.co.za
www.lfhinc.co.za

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 annual financial statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 ISAs 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 management.

·M

LFH Accountants and Auditors Inc.
Reg No. 1998/012859/21
T: 031 764 0066 | F: 031 764 0155
5 Park Lane, Kloof, 3610 | PO Box 745, Kloof, 3640
admin@lfhinc.co.za
www.lfhinc.co.za

- 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

17 November 2017

5 Park Lane
Kloof
Durban
3610

DIRECTORS' REPORT
FOR THE YEAR THEN ENDED 28 FEBRUARY 2017

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 28 February 2017.

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 - Vice chairperson
L du Randt
M Myeza
S Hemsley

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 28 FEBRUARY 2017

	Notes	2017 R	2016 R
ASSETS			
Non-current assets		**544 218**	**659 054**
Investment property	2	441 347	441 347
Plant and equipment	3	98 075	201 461
Loans receivable	4	4 796	16 246
Current assets		**84 648**	**192 292**
Inventories		11 089	-
Trade receivables	5	2 100	-
Cash and cash equivalents	6	71 459	192 292
Total assets		**628 866**	**851 346**
EQUITY AND LIABILITIES			
Equity		**527 748**	**746 537**
Accumulated surplus		527 748	746 537
Non-current liabilities		**46 647**	**53 996**
Long-term borrowings	7	46 647	53 996
Current liabilities		**54 471**	**50 813**
Trade and other payables	8	39 804	36 825
Current portion of long-term borrowings	7	14 667	13 988
Total equity and liabilities		**628 866**	**851 346**

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 R	2016 R
Revenue		**1 166 158**	**1 499 994**
Other income		109 947	107 106
		1 276 105	**1 607 100**
Project costs		(1 015 650)	(1 175 175)
		260 455	**431 925**
Operating expenses		(473 321)	(459 847)
Finance costs		(5 923)	(5 763)
Loss before taxation		**(218 789)**	**(33 685)**
Taxation	9	-	-
Loss for the year		**(218 789)**	**(33 685)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Accumulated surplus R	Total R
Balance at 28 February 2015	780 222	780 222
Loss for the year	(33 685)	(33 685)
Balance at 29 February 2016	746 537	746 537
Loss for the year	(218 789)	(218 789)
Balance at 28 February 2017	527 748	527 748

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 R	2016 R
Cash flows from operating activities		**(149 177)**	**72 696**
Cash receipts from donors		1 166 158	1 499 994
Cash paid to suppliers and employees		(1 412 802)	(1 528 342)
Cash flows utilised by operations	10.1	(246 644)	(28 348)
Interest paid		(5 923)	(5 763)
Interest received		7 041	9 906
Sundry income		96 349	96 901
Cash flows from investing activities		**35 013**	**(125 290)**
Purchase of plant and equipment		(3 435)	(103 003)
Disposal of plant and equipment		26 998	-
Movements of loans receivable		11 450	(16 246)
Movements of loans payable		-	(6 041)
Cash flows from financing activities		**(6 670)**	**(6 877)**
Movement of long-term borrowings		(6 670)	(6 877)
Cash and cash equivalents movement for the year		**(120 834)**	**(59 471)**
Cash and cash equivalents at beginning of year		192 292	251 763
Cash and cash equivalents at end of year	10.2	**71 458**	**192 292**

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.

1.2 Significant judgements and sources of estimation uncertainty (continued)
Taxation (continued)
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.

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 buisness.

The cost of purchased and self-constructed investment property comprises its purchase price and any directly attributable expenditure incurred. If payment is deferred beyonf 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; or
- 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:

Item	Average useful life
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.

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.

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.

1.7 Provisions and contingencies (continued)

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 comprises of offerings and donations received from the congregation and the community as well as deposits into the organisation's bank account. These are recognised on physical receipt of the funds.

Interest is recognised, in the statement of comprehensive income, using the effective interest rate method.

Non-cash donations received are only recorded when realised into cash as it is impractical to determine a market value of the donated items at the time of the donation. However control is exercised over the unrecorded stock.

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.

2. Investment property

	2017			2016		
	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 2017 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	-	-	-	-	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

	2017			2016		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Computer equipment	40 287	(40 278)	9	96 439	(75 233)	21 206
Containers	33 000	(19 800)	13 200	53 000	(24 867)	28 133
Motor vehicles	234 314	(218 693)	15 621	234 314	(171 830)	62 484
Furniture and fittings	40 736	(14 753)	25 983	40 736	(8 078)	32 658
Office equipment	74 777	(31 515)	43 262	74 777	(17 797)	56 980
	423 114	(325 039)	98 075	499 266	(297 805)	201 461

The carrying amounts for 2017 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	21 206	3 435	(12 776)	-	(11 856)	9
Containers	28 133	-	(7 666)	-	(7 267)	13 200
Motor vehicles	62 484	-	-	-	(46 863)	15 621
Furniture and fittings	32 658	-	-	-	(6 675)	25 983
Office equipment	56 980	-	-	-	(13 718)	43 262
	201 461	3 435	(20 442)	-	(86 379)	98 075

	2017	2016
	R	R

4. Loans receivable

	2017 R	2016 R
His Church		
Balance at beginning of year	16 246	(6 041)
Advances	231 265	189 542
Repayments	(242 715)	(167 255)
Balance at end of year	4 796	16 246

The above loan is unsecured, bears no interest and has no fixed terms of repayments. No repayments for the next 12 months are expected.

5. Trade and other receivables

	2017 R	2016 R
Renovations - Natasha Clerk	2 100	-

6. Cash and cash equivalents

	2017 R	2016 R
Petty cash	5 780	16 383
ABSA - current account	32 401	53 241
ABSA - Market Link account	30 824	100 871
First National Bank - current account	2 454	21 797
	71 459	192 292

7. Long-term borrowings

	2017 R	2016 R
ABSA Limited Access Mortgage Bond		
Balance outstanding	61 314	67 984
Less: Current portion of long-term liabilities	(14 667)	(13 988)
	46 647	53 996

The above loan bears interest at 9% (2016: 8.75%) per annum, is secured by a mortgage on the company's investment property as disclosed in note 2 and is repayable in monthly instalments of R1 633 (2016: R1 615).

8. Trade and other payables

	2017 R	2016 R
Sundry creditors	39 804	20 125
Renovations - Natasha Clerk	-	16 700
	39 804	36 825

9. Taxation

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.

	2017	2016
	R	R
10. Notes to the statement of cash flows		
10.1 Reconciliation of loss before taxation to cash flows from operating activities		
Loss before taxation	(218 789)	(33 685)
Adjustments for:		
Depreciation	86 379	96 242
Interest paid	5 923	5 763
Interest received	(7 041)	(9 906)
Profit on sale of plant and equipment	(6 556)	-
Sundry income	(96 350)	(96 901)
Operating loss before working capital changes	(236 434)	(38 487)
Working capital changes		
Inventories	(11 089)	-
Trade receivables	(2 100)	-
Trade and other payables	2 979	10 139
Cash utilised by operations	(246 644)	(28 348)
10.2 Cash and cash equivalents		
Cash on hand	5 780	16 383
Bank balances	65 679	175 909
	71 459	192 292

11. Related party disclosure

Kwacare is the ministry of His Church, which is an associate organisation and includes transactions disclosed in note 4 and the following:

	2017	2016
Rent paid	73 749	25 000

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

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017

	2017	2016
	R	R
Revenue	**1 166 158**	**1 499 994**
Donations	1 166 158	1 499 994
Other income	**109 947**	**107 106**
Balfour House - rental income	96 350	97 200
Profit on sale of plant and equipment	6 556	-
Interest received	7 041	9 906
	1 276 105	**1 607 100**
Project costs	1 015 650	1 175 175
	260 455	**431 925**
Operating expenditure	**473 321**	**459 847**
Accounting fees	58 002	45 930
Bank charges	21 558	23 114
Cleaning	-	2 495
Computer expenses	13 530	-
Consumables	19 128	2 816
Depreciation	86 379	96 242
Electricity and water	25 058	14 401
Employee costs	72 904	139 324
General expenses	2 840	16 778
Insurance	31 296	30 671
Motor vehicle expenses	12 960	13 679
Postage, printing and stationery	11 371	8 324
Rent paid	73 749	25 000
Repairs and maintenance	5 374	-
Security	4 016	21 292
Staff training	2 335	1 210
Subscriptions	-	58
Telephone and facsimile	32 821	18 513
Finance costs	**5 923**	**5 763**
Interest paid - mortgage loan	5 923	5 763
Loss before taxation	**(218 789)**	**(33 685)**
Taxation	-	-
Loss for the year	**(218 789)**	**(33 685)**

This 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.