

TATANI HOME CARE NURSING SERVICES NPC
(Registration number 1997/017226/08)
Annual financial statements
for the year ended 31 March 2016



Tatani Home Care Nursing Services NPC

(Registration number 1997/017226/08)

Annual Financial Statements for the year ended 31 March 2016

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Non-profit community based organisation that provides home-based care services
DIRECTORS	RED Mokgokong (Executive director) C Baloyi (Chairman) AS Modise SD Phahlane JH Buiten SM Matlala TP Tlailane
REGISTERED OFFICE	227 Vamsanda Street Moretele View Mamelodi West 0101
POSTAL ADDRESS	P.O. Box 77980 Mamelodi West 0101
BANKERS	First National Bank ABSA Bank Limited
AUDITOR'S	HVNS & Company Chartered Accountants (S.A.) Registered Auditors
SECRETARY	JH Buiten
COMPANY REGISTRATION NUMBER	1997/017226/08
TAX REFERENCE NUMBER	9363/030/64/5
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
PREPARER	The annual financial statements were independently compiled by: KM Van Nieuwenhuizen CA (S.A.)
ISSUED	09 September 2016
NPO NUMBER	930-026-373

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

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

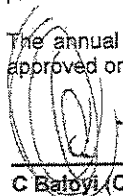
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's ability to continue as a going concern for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved on 09 September 2016 and were signed by:



C Baloyi (Chairman)



RED Mokgokong (Executive director)

Independent Auditor's Report

TO TATENI HOME CARE NURSING SERVICES NPC

We have audited the annual financial statements of Tateni Home Care Nursing Services NPC, as set out on pages 7 to 16, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 requirements of the Companies Act 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 misstatements, 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 company'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 company'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

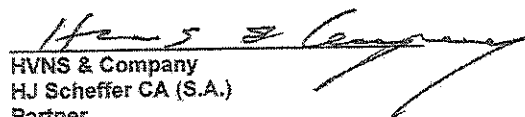
In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Tateni Home Care Nursing Services NPC as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information 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 information and accordingly do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.



HVNS & Company
HJ Scheffer CA (S.A.)
Partner
Chartered Accountants (S.A.)
Registered Auditors
Pretoria
9 September 2016

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Tatani Home Care Nursing Services NPC for the year ended 31 March 2016.

1. NATURE OF BUSINESS

Tatani Home Care Nursing Services NPC was incorporated and operates in South Africa with interests in the Non-profit industry.

There have been no material changes to the nature of the company's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

3. SHARE CAPITAL

The company is incorporated in terms of the Companies Act 71 of 2008 and is limited by guarantee and therefore has no share capital.

4. DIRECTORATE

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

Directors
RED Mokgokong (Executive director)
C Baloyi (Chairman)
AS Modise
SD Phahlane
JH Buiten
SM Matlala
TP Tlailane

There have been no changes to the directorate for the period under audit.

5. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. AUDITORS

HVNS & Company continued in office as auditors for the company for 2016.

At the AGM, the shareholders will be requested to reappoint HVNS & Company as the independent external auditors of the company and to confirm Mr HJ Scheffer CA (S.A.) as the designated lead audit partner for the 2017 financial year.

8. SECRETARY

The company secretary is JH Buiten.

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Directors' Report

9. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The annual financial statements have been authorised for issue by the directors on 09 September 2016. No authority was given to anyone to amend the financial statements after the date of issue.

10. ACKNOWLEDGEMENTS

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

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Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

	Notes	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1 362 589	1 281 022
CURRENT ASSETS			
Trade and other receivables	3	-	86 400
Cash and cash equivalents	4	750 946	515 900
		750 946	602 300
Total Assets		2 113 535	1 883 322
EQUITY AND LIABILITIES			
EQUITY			
Reserves		1 213 167	1 213 167
Retained income		397 535	390 431
		1 610 702	1 603 598
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	9 954	995
Deferred income	6	492 879	278 729
		502 833	279 724
Total Equity and Liabilities		2 113 535	1 883 322

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Statement of Comprehensive Income

	Notes	2016 R	2015 R
Income	7	2 717 714	1 947 033
Operating expenses		(2 721 562)	(2 168 699)
Operating loss	8	(3 848)	(221 666)
Investment revenue	9	11 115	11 407
Finance costs		(163)	-
Profit (loss) for the year		7 104	(210 259)

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Statement of Changes in Equity

	Other non-distributable reserves R	Retained income R	Total equity R
Balance at 01 April 2014	1 213 167	600 690	1 813 857
Loss for the year	-	(210 259)	(210 259)
Balance at 01 April 2015	1 213 167	390 431	1 603 598
Profit for the year	-	7 104	7 104
Balance at 31 March 2016	1 213 167	397 535	1 610 702

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Statement of Cash Flows

	Notes	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	391 313	(246 425)
Interest income		11 115	11 407
Finance costs		(163)	-
Net cash from operating activities		402 265	(235 018)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(167 219)	(5 909)
Total cash movement for the year		235 046	(240 927)
Cash at the beginning of the year		515 900	756 827
Total cash at end of the year	4	750 946	515 900

Accounting Policies

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 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful life and residual values

The depreciable amount of assets are allocated on a systematic basis over their useful lives. In determining the depreciable amount, management makes assumptions in respect to the residual value of assets based on the expected estimated amount that the entity would currently obtain from disposal of the asset, after deducting the estimated cost of disposal. If an asset is expected to be abandoned the residual value is estimated at zero. In determining the useful life of assets, management considers the expected usage of assets, expected physical wear and tear, legal or similar limits of assets such as mineral rights as well as obsolescence.

Impairments and impairment reversals

Impairment tests are performed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets which have been impaired are reviewed for possible reversal of impairment at each reporting date. Estimates are made in determining the recoverable amount of assets which includes the estimation of cash flows and discount rates used. In estimating the cash flows, management base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets. The discount rates used are pre-tax rates that reflect the current market assessment of the time value of money and the risks specific to the assets for which the future cash flow estimates have not been adjusted.

Going concern

Management considers key financial metrics and loan covenant compliance in its approved medium-term budgets, together with its existing term facilities, to conclude that the going-concern assumption used in compiling the annual financial statements is relevant.

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Accounting Policies

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated 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 property, plant and equipment, which is as follows:

Item	Average useful life
Carport	4 years
Furniture and fittings	6 years
IT equipment	3 years
Motor vehicles	4 years
Office equipment	5 years
Other property, plant and equipment	5 years

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

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

Land is not depreciated.

1.3 FINANCIAL INSTRUMENTS

Loans and trade and other receivables

These financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss. Subsequently they are measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Loans and trade and other payables

These financial liabilities are recognised initially at the transaction price. Subsequently they are measured at amortised cost using the effective interest method, less provision for impairment.

1.4 TAX

Tax exemption

The receipts and accruals resulting from any 'public benefit activity' and any approved 'public benefit organisation' as defined in s30(1) of the Income Tax Act, are exempt from normal tax (s10(1)(cN)).

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Accounting Policies

1.5 GRANTS

Grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attached to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Grants are recognised as income when they became receivable as compensation for expenses or loss already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.6 DEFERRED INCOME

Governments grants, subsidies and donations with specific conditions attached to them are shown as deferred income as, in certain circumstances, conditions have been attached to these income items.

1.7 REVENUE

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 trade discounts and volume rebates, and value added tax.

Donation received

Designated programme funds receivable are deferred and expensed when utilised. Other donations received are accounted for on a cash receipt basis. Foreign currency donations are recorded at the ruling exchange rate on transaction date.

Interest income

Interest is recognised on an accrual basis using the effective interest rate method.

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Notes to the Annual Financial Statements

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Carport	6 454	(6 454)	-	6 454	(6 454)	-
Furniture and fixtures	40 853	(40 406)	447	30 560	(29 140)	1 420
IT equipment	39 889	(39 888)	1	35 890	(35 804)	86
Land and buildings	1 209 376	-	1 209 376	1 209 376	-	1 209 376
Motor vehicles	231 584	(137 620)	93 964	106 298	(106 298)	-
Office equipment	86 874	(82 614)	4 260	83 474	(75 560)	7 914
Other property, plant and equipment	131 673	(77 132)	54 541	88 526	(26 300)	62 226
Total	1 746 703	(384 114)	1 362 589	1 560 578	(279 556)	1 281 022

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1 420	10 293	(11 266)	447
IT equipment	86	3 999	(4 084)	1
Land and buildings	1 209 376	-	-	1 209 376
Motor vehicles	-	125 286	(31 322)	93 964
Office equipment	7 914	3 400	(7 054)	4 260
Other property, plant and equipment	62 226	24 241	(31 926)	54 541
	1 281 022	167 219	(85 652)	1 362 589

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Carport	1 076	-	(1 076)	-
Furniture and fixtures	29 060	1 500	(29 140)	1 420
IT equipment	2 918	-	(2 832)	86
Land and buildings	1 209 376	-	-	1 209 376
Office equipment	5 863	4 409	(2 358)	7 914
Other property, plant and equipment	88 526	-	(26 300)	62 226
	1 336 819	5 909	(61 706)	1 281 022

The land and buildings comprise: Portion 1 Erf 227, Moretele View Township in Pretoria.
Purchase date: 26 October 2004

Land is not depreciated.

The board believes the carrying amount of the building approximates the residual value, and therefore is not depreciated.

The assets reflected in the note have been purchased and depreciated. Assets which have been received for no consideration are not reflected in this note but are however included in the fixed asset register of the entity.

3. TRADE AND OTHER RECEIVABLES

Stephen Lewis Foundation

86 400

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Notes to the Annual Financial Statements

	2016 R	2015 R
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	1 156	15
Bank balances	749 790	515 885
	750 946	515 900
5. TRADE AND OTHER PAYABLES		
Accrued expenses	9 954	995
6. DEFERRED INCOME		
Deferred Income is realised in the Statement of Comprehensive Income when all the conditions attached to the donation / grant have been met.		
Department of Health	12 606	-
Help the Vulnerable in Africa	29 240	63 827
National Lotteries Board	300 642	-
President's Emergency Plan For AIDS Relief - USA	1 801	278 729
Social Services	-	1 893
Stephen Lewis Foundation	91 376	148 581
University of South Africa	57 214	64 428
	492 879	557 458
7. INCOME		
Donation income	2 717 714	1 947 033
Donation income consists of:		
Department of Health	141 980	15 570
Help the Vulnerable in Africa	281 893	212 592
National Lotteries Board	445 538	45 600
Other donations	248 530	212 918
President's Emergency Plan For AIDS Relief - USA	202 759	104 427
Social Services	964 990	923 591
Stephen Lewis Foundation	319 209	333 743
University of South Africa	112 815	98 592
	2 717 714	1 947 033
8. OPERATING LOSS		
Operating loss for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	85 652	21 102
Employee costs	1 470 923	1 184 519
9. INVESTMENT REVENUE		
Interest revenue	11 115	11 407
Bank		

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Notes to the Annual Financial Statements

	2016 R	2015 R
10. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit (loss) before taxation	7 104	(210 259)
Adjustments for:	85 652	21 102
Depreciation	(11 115)	(11 407)
Interest received	163	-
Finance costs		
Changes in working capital:	86 400	(9 374)
Trade and other receivables	8 959	(1 048)
Trade and other payables	214 150	(35 439)
Deferred income		
	391 313	(246 425)

11. TAXATION

No provision has been made for 2016 taxation as the company, being a Public Benefit Organisation, is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

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Detailed Income Statement

	Notes	2016 R	2015 R
REVENUE			
Donation income		2 717 714	1 947 033
OTHER INCOME			
Interest received	9	11 115	11 407
OPERATING EXPENSES			
Accounting fees		30 216	3 000
After school class - Catering		-	22 802
After school class - Training		-	39 400
Auditors fee		3 000	22 490
Bank charges		22 075	26 674
Cleaning		6 340	3 352
Computer expenses		45 548	25 322
Depreciation		85 652	21 102
Donations		450	-
Drop-in centre project		356 172	282 983
Emergency relief fund		2 250	-
Employee costs		1 470 923	1 184 519
Food and catering		163 814	32 197
Garden project		3 037	2 025
Insurance		65 540	70 897
Medical expenses		2 225	20 423
Motor vehicle expenses		111 148	84 030
Municipal expenses		42 841	68 360
Office equipment rental		87 606	25 866
Penalties		731	-
Postage, printing and stationery		46 544	39 938
Protective clothing		-	594
Repairs and maintenance		43 577	45 118
Security		14 060	9 314
Social support services		17 769	9 760
Staff development		26 934	76 619
Subscriptions		8 547	-
Telephone and fax		22 508	22 864
Transportation costs		42 055	29 050
		2 721 562	2 168 699
Operating profit (loss)	8	7 267	(210 259)
Finance costs		(163)	-
Profit (loss) for the year		7 104	(210 259)