

**CAPE FLATS DEVELOPMENT ASSOCIATION
(NPO REGISTRATION NUMBER 002-938)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016**

Cape Flats Development Association

(Registration number 002-938)

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	<p>Engaged in the provision of a range of social and developmental services to those greatest in need.</p> <p>The CAFDA was established in 1944 to meet the needs of people living in conditions of poverty, disease and malnutrition, and is reliant on donation income to fund its various economic activities.</p>
Executive committee members	<p>Mr. Mark Rossouw (Chairperson) Mr. Derick Fortuin (Deputy Chairperson) Mr. Hillyne Jonkerman (Treasurer) Mr. David Sauls (Secretary) Mr. Michael Johnstone (Member) Mr. Daniel Cornelson (Member) Ms. Yolinda Rossa (Member) Mr. Marcelle Williams (Member) Mr. Anthony Martin (Member) Mr. Peter Cato (General Manager - Ex Officio)</p>
Business address	<p>Cnr 8th Avenue and Prince George Drive Grassy Park 7941</p>
Postal address	<p>P.O. Box 211 Retreat 7965</p>
Bankers	Standard Bank of SA Limited
Auditors	<p>BDV Platinum Chartered Accountants (S.A.) Registered Auditors</p>
NPO registration number	002-938
Tax reference number	9002095249

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the executive committee members:

Index	Page
Executive Committee Member's Responsibilities and Approval	3
Independent Auditors' Report	4 - 5
Executive Committee Members' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Annual Financial Statements	14 - 19
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Financial Performance	20 - 21

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Executive Committee Member's Responsibilities and Approval

The executive committee members are required by the Nonprofit Organisations Act 71 of 1997, 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 organisation 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 basis of accounting as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

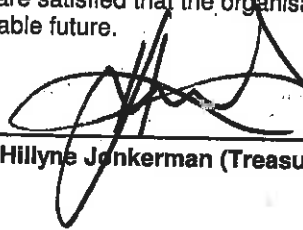
The executive committee members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the executive committee members to meet these responsibilities, the executive committee members 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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



Mr. Mark Rossouw (Chairperson)



Mr. Hillyne Jonkerman (Treasurer)

Date:

26/08/2016

Grassy Park



Independent Auditors' Report

To the executive committee members of Cape Flats Development Association

We have audited the annual financial statements of Cape Flats Development Association, as set out on pages 7 to 19, 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.

Executive Committee Members' Responsibility for the Annual Financial Statements

The organisation's executive committee members are responsible for the preparation and of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, and requirements of the Nonprofit Organisations Act 71 of 1997, 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.

Auditors' 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 auditors' 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 qualified audit opinion.

Qualified Opinion

In our opinion, the annual financial statements of Cape Flats Development Association for the year then ended 31 March 2016 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements, and the requirements of the Nonprofit Organisations Act 71 of 1997.

Emphasis of Matter

In common with similar organisations, it is not feasible for the organisation to initiate accounting controls over cash collections from donations, sales, fees and hall hire income prior to the initial entry of the collections in the accounting records. Accordingly, it was not possible for us to extend our examination beyond the receipts actually recorded.

We were further unable to satisfy ourselves as to the cut-off of revenue received.

We were unable to satisfy ourselves to the completeness of fixed assets received in kind and other fixed assets capitalised up to 31 March 2016. Since the non-capitalisation of assets enter into the determination of financial performance and cash flows, we were unable to determine whether adjustments to loss for the year and net cash flows from operating activities might be necessary.

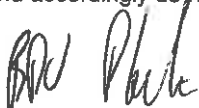
Without further qualifying our opinion, we emphasise that the basis of accounting and presentation and disclosure contained in the annual financial statements are not intended to, and do not comply with all the requirements of International Financial Reporting Standards for Small and Medium-Sized Entities.

Based on our discussions with management and review of subsequent budgets and cash flow forecasts, the ability of the organisation to continue as a going concern is dependent on a number of factors, including the ongoing support of the funders.

Independent Auditors' Report

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 20 to 21 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.



BDV Platinum
Director - Braam De Vries
Chartered Accountants (S.A.)
Registered Auditors

Date: 26/7/2016

49 Bell Crescent
Westlake Business Park
Westlake
7945

BDV Platinum Professional Services Incorporated
Company Reg No: 2014/122738/21 | VAT No: 4140194244
Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7945
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Telephone: 021 701 7620 | Fax: 086 638 8672 | Web: www.bdvplatinum.com
Directors: Carel Braam de Vries, Mark Dawson, Imdaez Anthony
Practice No: 903104

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Executive Committee Members' Report

The executive committee members have pleasure in submitting their report on the annual financial statements of Cape Flats Development Association for the year ended 31 March 2016.

1. Nature of business

Cape Flats Development Association was incorporated in South Africa with interests in the social and development services industry. The organisation operates in South Africa.

The CAFDA is engaged in the provision of a range of social and developmental services to those greatest in need.

The CAFDA was established in 1944 to meet the needs of people living in conditions of poverty, disease and malnutrition, and is reliant on donation income to fund its various economic activities.

The CAFDA is a registered Nonprofit Organisation (Reg No. 002-938 NPO).

The operating results and state of affairs of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with Entity specific basis of accounting and the requirements of the Nonprofit Organisations Act 71 of 1997. The accounting policies have been applied consistently compared to the prior year.

The organisation recorded a surplus after tax for the year ended 31 March 2016 of R2,416,355.

3. Executive committee members (Governing board)

The executive committee members in office at the date of this report are as follows:

Mr. Kevin Southgate - resigned 23 April 2016
Mr. Mark Rossouw - appointed as Chairperson
Mr. Hillyne Jonkerman
Mr. David Sauls
Mr. Derick Fortuin - appointed as Deputy Chairperson
Mr. Michael Johnstone
Mr. Daniel Cornelson
Ms. Yolinda Rossa
Mr. Marcelle Williams
Mr. Anthony Martin
Mr. Peter Cato

4. Events after the reporting period

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

5. Going concern

The executive committee members believe that the organisation 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 executive committee members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The executive committee members are not aware of any new material changes that may adversely impact the organisation. The executive committee members 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 organisation.

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	4,719,778	6,644,112
Other financial assets	3	541,633	8,593,850
		5,261,411	15,237,962
Current Assets			
Trade and other receivables	4	286,754	367,281
Cash and cash equivalents	5	3,116,079	1,229,217
		3,402,833	1,596,498
Total Assets		8,664,244	16,834,460
Equity and Liabilities			
Equity			
Special capital funds	6	-	1,700,000
Restricted capital reserves		527,000	8,593,850
Retained income		5,700,919	3,284,564
		6,227,919	13,578,414
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	147,317	167,637
Deferred income	8	1,806,038	2,489,388
		1,953,355	2,657,025
Current Liabilities			
Other financial liabilities	7	20,398	20,398
Trade and other payables	10	250,003	388,060
Deferred income	8	92,620	92,620
Provisions	9	119,949	97,943
		482,970	599,021
Total Liabilities		2,436,325	3,256,046
Total Equity and Liabilities		8,664,244	16,834,460

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue		6,458,132	5,255,682
Other income	11	3,651,111	2,942,130
Operating expenses		(7,745,161)	(6,683,083)
Operating profit	12	2,364,082	1,514,729
Investment revenue	13	52,440	48,675
Finance costs	14	(167)	(6,063)
Profit for the year		2,416,355	1,557,341
Other comprehensive income		-	-
Total comprehensive income for the year		2,416,355	1,557,341

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Statement of Changes in Equity

Figures in Rand	Special capital funds	Restricted capital reserve	Total reserves	Retained income	Total funds
Balance at 01 April 2014	1,700,000	8,080,000	9,780,000	1,727,222	11,507,222
Profit for the year	-	-	-	1,557,342	1,557,342
Other comprehensive income	-	513,850	513,850	-	513,850
Total comprehensive income for the year	-	513,850	513,850	1,557,342	2,071,192
Balance at 01 April 2015	1,700,000	8,593,850	10,293,850	3,284,564	13,578,414
Profit for the year	-	-	-	2,416,355	2,416,355
Other comprehensive income	(1,700,000)	(8,066,850)	(9,766,850)	-	(9,766,850)
Total comprehensive income for the year	(1,700,000)	(8,066,850)	(9,766,850)	2,416,355	(7,350,495)
Balance at 31 March 2016	-	527,000	527,000	5,700,919	6,227,919

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from (used in) operations	16	2,056,546	(177,008)
Interest income		15,880	2,705
Finance costs		(167)	(6,063)
Dividends received		36,560	45,970
Net cash from operating activities		2,108,819	(134,396)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,329,100)	(725,818)
Sale of property, plant and equipment	2	3,896,674	-
Movement in restricted capital reserve		(8,066,850)	(513,850)
Movement on investments		7,997,639	513,850
Movement in special capital funds		(1,700,000)	-
Net cash from investing activities		(201,637)	(725,818)
Cash flows from financing activities			
Repayment of other financial liabilities		(20,320)	(18,435)
Net cash from financing activities		(20,320)	(18,435)
Total cash movement for the year		1,886,862	(878,649)
Cash at the beginning of the year		1,229,217	2,107,866
Total cash at end of the year	5	3,116,079	1,229,217

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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.

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.

Financial assets measured at cost and amortised cost

The association 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 association makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 9 - Provisions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

Item	Average useful life
Land	Indefinite
Buildings	50 years
Furniture and fixtures	3 years
Motor vehicles	3 years
IT equipment	3 years
Computer software	2 years
Fire detection and security system	3 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.

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1.2 Property, plant and equipment (continued)

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.

1.3 Financial instruments

Initial measurement

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.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised

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.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.4 Tax

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

The organisation has been granted an exemption from income tax and accordingly does not provide for income tax.

1.5 Impairment of assets

The organisation assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the association estimates the recoverable amount of the asset.

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

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Reserves

Restricted capital reserve

This reserve is established to represent the market value of the listed investments.

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1.7 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The policy of the association is to provide remuneration benefits for all its permanent employees. The contributions are calculated at 10% of the employees' gross salary.

1.8 Provisions and contingencies

Provisions are recognised when:

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

1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

- the organisation will comply with the conditions attaching to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future costs is recognised as income for the period in which it becomes receivable.

Grants related to income are presented as a credit in the income statement (separately).

1.10 Revenue

Grants, donations, project income, merchandise store and bookshop sales are recognised on a cash received basis. Subsidies, rental received and administration fees are recognised in the period to which they relate.

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

1.11 Borrowing costs

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

1.12 Investments and reserves

The executive committee members, from time to time, provides for future expenditure by reallocating unrestricted donation income to a reserve to be held and utilised for future expenditure. These cash backed reserves in the statement of financial position are shown as long term investments and comprises deposits held on call with banks and investments in the money market instruments. Listed investments are raised at market value and due to the nature of restrictions on the trading of the shares, the amount has been capitalised as restricted capital reserves.

1.13 Deferred income - Property, plant and equipment

Deferred income comprises designated donation income that was specifically received for the purpose of property, plant and equipment. Upon the purchase of the property, plant and equipment, the income is transferred from the reserve accounts into a deferred income liability account and this income is released to the statement of comprehensive income over the useful life of the underlying assets purchased.

1.14 Deferred income

Deferred income represents unspent funds at balance sheet date.

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand 2016 2015

2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Land and buildings	4,965,833	(1,035,175)	3,930,658	7,317,815	(973,699)	6,344,116
Furniture and fixtures	58,372	(47,056)	11,316	45,052	(45,051)	1
Motor vehicles	794,549	(624,319)	170,230	794,549	(508,617)	285,932
IT equipment	543,528	(508,347)	35,181	498,657	(484,594)	14,063
Computer software	66,671	(66,671)	-	66,671	(66,671)	-
Fire detection and security system	691,591	(119,198)	572,393	-	-	-
Total	7,120,544	(2,400,766)	4,719,778	8,722,744	(2,078,632)	6,644,112

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	6,344,116	1,579,318	(3,896,674)	(96,102)	3,930,658
Furniture and fixtures	1	13,320	-	(2,005)	11,316
Motor vehicles	285,932	-	-	(115,702)	170,230
IT equipment	14,063	44,871	-	(23,753)	35,181
Fire detection and security system	-	691,591	-	(119,198)	572,393
	6,644,112	2,329,100	(3,896,674)	(356,760)	4,719,778

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Land and buildings	6,045,643	373,362	(74,889)	6,344,116
Furniture and fixtures	1	-	-	1
Motor vehicles	4,165	347,105	(65,338)	285,932
IT equipment	20,100	5,351	(11,388)	14,063
	6,069,909	725,818	(151,615)	6,644,112

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
2. Property, plant and equipment (continued)		
Details of properties		
Erf 1764 Grassy park, measuring 1.4893 H.		
- Purchase price	1,990,678	1,990,678
- Additions at cost:		
2011 improvements	1,200,852	1,200,852
2016 improvements	1,579,318	-
	4,770,848	3,191,530
Erf 159332 13 Grace Vulllamy, Retreat, measuring 202 square meters.		
- Purchase price	194,985	194,985
Erf 121318 Retreat, measuring 1.0262 H.		
- Purchase price	-	3,200,000
- Additions at cost:		
2011 improvements	-	93,179
2012 improvements	-	264,759
2015 improvements	-	373,362
	-	3,931,300
<p>During the 2010 financial year the Executive Committee Members passed a resolution whereby specifically funded assets are depreciated over their estimated useful lives, the related income is recognised as deferred income and released into the income statement over the estimated useful life of the assets.</p> <p>Erf 121318 was sold for R 4,200,000 on 25 September 2015.</p>		
3. Other financial assets		
Investments at fair value		
Business Connexion Group Limited		6,794,400
<p>Business Connexion Group Limited donated 1,140,000 'A' ordinary shares on 5 October 2010. The shares cannot be sold for a period of 5 years from 5 October 2010. 1,140,000 'A' ordinary shares were sold during the year.</p>		
Brimstone Investment Corporation Limited	527,000	953,250
<p>Brimstone Investment Corporation Limited donated 50,000 'N' ordinary shares with a nominal value of 0.001 cents per share. The shares cannot be sold for a period of 5 years. 8,000 'N' ordinary shares were sold during the year. The market value as at 31 March 2016 was R462,000 (2015: R867,500).</p> <p>Brimstone Investment Corporation Limited donated 5,000 ordinary shares on 12 May 2014. The market value as at 31 March 2016 was R65,000 (2015: R85,750).</p>		
Life Healthcare Group Holdings Limited	-	846,200
<p>As a result of the unbundling of Brimstone Investment Corporation Limited shares, Life Healthcare Group Holdings Limited (Previously Health Strategic Investments Limited) issued 20,000 ordinary shares on 28 August 2010 to the Cape Flats Development Association. The nominal value of the shares is 0.0001 cents per share. 20,000 ordinary shares were sold during the year.</p>		
	527,000	8,593,850

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
3. Other financial assets (continued)		
Loans at amortised cost		
The CAFDA Utility Company NPC	14,633	-
Total other financial assets	541,633	8,593,850
Non-current assets		
Investments at fair value	527,000	8,593,850
Loans at amortised cost	14,633	-
	541,633	8,593,850
4. Trade and other receivables		
Trade receivables	211,583	243,025
Deposits	34,181	23,181
VAT	40,990	101,075
	286,754	367,281
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,268	781
Bank balances	3,097,800	1,216,152
Short-term deposits	13,011	12,284
	3,116,079	1,229,217
6. Special capital funds		
Donors		
Community Hall - DG Murray Trust	-	1,500,000
Independent Development Trust	-	200,000
	-	1,700,000
<p>The amounts shown as special capital funds were advanced in 1993 to CAFDA for the construction of a community centre, called the Mary Atlee Centre, which was transferred to CAFDA during the 2009 financial year. These amounts are equity funding and are not repayable. There are no unfulfilled conditions attached thereto.</p> <p>The Mary Atlee Centre was disposed of during the year and the gain on sale was reflected as donation income. The special capital funds have now been released to retained income.</p>		
7. Other financial liabilities		
At amortised cost		
City of Cape Town	167,715	188,035
<p>The loan bears interest at a rate of 1% per annum, and is repayable over a period of 30 years. The final instalment is payable in April 2024.</p>		
Non-current liabilities		
At amortised cost	147,317	167,637
Current liabilities		
At amortised cost	20,398	20,398

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
7. Other financial liabilities (continued)	167,715	188,035
8. Deferred income		
Deferred income relating to Property, Plant and Equipment comprises the following:		
<ul style="list-style-type: none"> Income received from the National Lotteries Distribution Trust Fund. The income is transferred from the reserve accounts into deferred income. This income is released to the statement of comprehensive income over the useful life of the underlying assets purchased. There are no unfulfilled conditions and other contingencies attaching the deferred income that has been recognised. 		
Income received for capital expenditure		
Use of income received for capital expenditure		
Opening balance	2,582,008	4,324,035
- National Lotteries Distribution Trust Fund	-	241,307
Release of deferred income in line with estimated useful life of assets and for project funding		
- National Lotteries Distribution Trust Fund	(683,349)	(1,983,334)
	1,898,659	2,582,008
Non-current liabilities - Property, plant and equipment and project funding	1,806,038	2,489,388
Current liabilities - Property, plant and equipment and project funding	92,620	92,620
	1,898,658	2,582,008

9. Provisions

Reconciliation of provisions - 2016

	Opening balance	Accrual during the year	Total
Provision for leave pay	97,943	22,006	119,949

Reconciliation of provisions - 2015

	Opening balance	Accrual during the year	Total
Provision for leave pay	141,946	(44,003)	97,943

The leave provision represents management's best estimate of the organisation's liability for any obligations which may be due to staff members at the financial year end for services already rendered.

10. Trade and other payables

Trade payables	181,224	341,629
Deposits received	16,000	10,000
Accrued expense	6,548	6,781
Other payables	46,231	29,650
	250,003	388,060

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
11. Funding received		
Grants received from Provincial Administration: Western Cape	3,596,836	2,899,621
	3,596,836	2,899,621
12. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	557,470	448,919
Loss on sale of other financial assets	(54,578)	-
Surplus on disposal of assets	(303,325)	(57,000)
Depreciation on property, plant and equipment	356,760	151,615
Employee costs	4,795,073	4,053,691
13. Investment revenue		
Dividend revenue		
Listed financial assets - Local	36,560	45,970
Interest revenue		
Bank	15,880	2,705
	52,440	48,675
14. Finance costs		
Interest paid - bank account	167	6,063
15. Taxation		
No provision has been made for 2016 tax as the association has been granted exemption from income tax in terms of Section 30, 18A and 10(1)(cN) of the Income Tax Act.		
16. Cash generated from (used in) operations		
Profit before taxation	2,416,355	1,557,341
Adjustments for:		
Depreciation and amortisation	356,760	151,615
Loss on sale of assets	54,578	-
Dividends received	(36,560)	(45,970)
Interest received	(15,880)	(2,705)
Finance costs	167	6,063
Movements in provisions	22,006	(44,003)
Changes in working capital:		
Trade and other receivables	80,527	(192,149)
Trade and other payables	(138,057)	134,827
Deferred income	(683,350)	(1,742,027)
	2,056,546	(177,008)

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
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17. Related parties

Relationships

Executive committee members (Governing board)

Mr. Mark Rossouw
Mr. Hillyne Jonkerman
Mr. David Sauls
Mr. Derick Fortuin
Mr. Michael Johnstone
Mr. Anthony Martin
Mr. Daniel Cornelson
Ms. Yolinda Rossa
Mr. Marcelle Williams
Mr. Peter Cato (General Manager - Ex Officio)

18. Income from fundraising and bookstores

The organisation runs a number of bookstores in order to generate funding income to carry out its social development services. Books are donated by the public to the organisation and the proceeds on sale are a source of funding.

19. Depreciation, amortisation and impairments

Depreciation, amortisation and impairments	356,760	151,615
Surplus on disposal of assets	(303,325)	(57,000)
	53,435	94,615

20. Donation income

Donations received - shares	1,402,178	=
Donations received - special capital funds	1,700,000	=
Donations received - other	662,696	719,056
	3,764,874	719,056

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue			
Donation income	20	3,764,874	719,056
Fee income		273,537	481,476
Income from facilities		124,173	256,557
Income from fundraising and bookstores	18	2,295,548	3,596,389
Rendering of services		-	202,204
		6,458,132	5,255,682
Other Income			
Discount received		985	-
Dividends received		36,560	45,970
Funding received	11	3,596,836	2,899,621
Insurance claims		25,308	42,509
Interest received		15,880	2,705
Pulping income		27,982	-
		3,703,551	2,990,805
Expenses (Refer to page 21)		(7,745,161)	(6,683,083)
Operating surplus	12	2,416,522	1,563,404
Finance costs	14	(167)	(6,063)
Surplus for the year		2,416,355	1,557,341

Cape Flats Development Association

(Registration number 002-938)

Annual Financial Statements for the year ended 31 March 2016

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Operating expenses			
Accounting fees		-	20,000
Advertising		4,455	5,590
Assets less than R 2,500		2,724	-
Auditors remuneration		50,440	50,000
Bad debts		-	2,440
Ballet expenses - Dance training		-	15,196
Bank charges		57,392	57,978
Cleaning		42,755	36,705
Computer expenses		33,486	31,507
Consulting and professional fees		69,868	14,495
Consumables		130,408	13,495
Depreciation, amortisation and impairments	19	53,435	94,615
Donations		1,000	-
Employee costs		4,795,073	4,053,691
Entertainment		9,110	21,835
Food supplied		55,692	55,584
Hire		1,480	-
Insurance		135,445	111,246
Lease rentals on operating lease		557,470	448,919
Legal expenses		5,826	600
Licences and fines		24,590	4,582
Loss on sale of investment		54,578	-
Municipal expenses		593,783	381,662
Petrol and oil		69,067	78,648
Postage		1,867	1,807
Printing and stationery		55,274	84,033
Repairs and maintenance		236,101	266,440
SARS fines and penalties		52	757
Security		252,309	272,554
Staff welfare		22,322	11,133
Stipends		18,250	-
Sundry expenses		15,815	16,906
Telephone and fax		92,166	114,895
Training		223,127	381,703
Travel - local		-	34,068
VAT on expenses disallowed by SARS		79,801	-
		7,745,161	6,683,083