



**Association for the Physically Disabled –
Greater Johannesburg
(Reg. No. 000865 – NPO)**

Financial Statements

for the year ended 31 March 2016

Audited

Association for the Physically Disabled – Greater Johannesburg
(Reg. No. 000865 – NPO)

Financial Statements
for the year ended 31 March 2016

<i>Contents</i>	<i>Page</i>
Executive Board's responsibility statement	2
Independent auditor's report	3
Statement of financial position	4
Statement of profit or loss and other comprehensive income	5
Statement of changes in reserves and funds	6
Statement of cash flows	7
Notes to the financial statements	8 – 19
 <i>The supplementary information presented does not form part of the financial statements and is unaudited</i>	
Schedule of income and expenses	20 – 25

Association for the Physically Disabled – Greater Johannesburg

Executive Board’s responsibility statement *for the year ended 31 March 2016*

The Executive Board are responsible for the preparation and fair presentation of the financial statements of the Association for the Physically Disabled – Greater Johannesburg, comprising the statement of financial position at 31 March 2016, and the statements of profit or loss and other comprehensive income, changes in reserves and funds and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards.

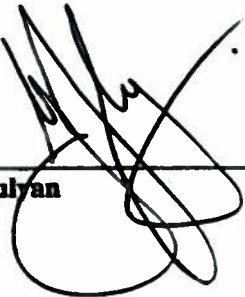
The Executive Board are also responsible for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. In note 16 to the financial statements, the Executive Board has disclosed a material uncertainty that may cast significant doubt on the ability of the Association to continue as a going concern.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the financial statements

The financial statements of the Association for the Physically Disabled – Greater Johannesburg, as identified in the first paragraph, were approved by the Executive Board on 30 September 2016 and are signed on their behalf by –



G Julyan



R Legasa



KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docex 472 Johannesburg

Independent auditor's report

To the members of the Association for the Physically Disabled – Greater Johannesburg

We have audited the financial statements of the Association for the Physically Disabled – Greater Johannesburg, which comprise the statement of financial position at 31 March 2016, and the statements of profit or loss and other comprehensive income, changes in reserves and funds and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 19.

Executive Board's responsibility for the financial statements

The Executive Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 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 these financial statements present fairly, in all material respects, the financial position of the Association for the Physically Disabled – Greater Johannesburg at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw attention to note 16 to the financial statements which indicates that the Association for the Physically Disabled – Greater Johannesburg incurred a loss of R287 979 for the year ended 31 March 2016 and is currently experiencing liquidity problems. Note 16 states that these conditions, along with other matters indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Association to continue as a going concern. Our opinion is not qualified in respect of this matter.

KPMG Inc.

Per: ML Watson
Chartered Accountant (SA)
Registered Auditor
Director
30 September 2016

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005 **3**

Registration number 1899/021543/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Metaba,
M Oddy, CAT Smit

Other Directors: ZA Beseti, LP Fourie, N Fubu,
AH Jeffer (Chairman of the Board), FA Karreem,
ME Magondo, F Moll, GM Pickering,
JN Pierce

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

Association for the Physically Disabled – Greater Johannesburg

Statement of financial position

at 31 March 2016

Assets	Note	2016 R	2015 R
Non-current assets			
Equipment and vehicles	5	271 343	399 094
Current assets			
Inventories		36 284	38 398
Trade and other receivables		109 762	86 065
Related party receivable	15	17 935	14 044
Investments	6	83 433	660 546
Deposits on call	7	8 967	14 785
Cash and cash equivalents		125 088	92 544
Total assets		652 812	1 305 476
Reserves, funds and liabilities			
General fund			
Investment reserve		53 183	341 162
		8 925	26 112
		44 258	315 050
Current liabilities			
Trade and other payables		599 629	964 314
Related party payable	15	599 629	581 156
Short term portion of interest bearing borrowings	8	–	246 300
Donations and funds for specific purposes	9	–	10 416
		–	126 442
Total reserves, funds and liabilities		652 812	1 305 476

Association for the Physically Disabled – Greater Johannesburg

Statement of profit or loss and other comprehensive income for the year ended 31 March 2016

	Note	2016		2015	
		R	R	R	R
Revenue					
Subsidies for social work services and protective workshops			637 373		601 284
Events, sales and street collections – commercial services			124 899		123 034
Fees for services – social work services/home based care			44 673		15 857
Grants for home based care			1 320 839		1 381 136
Appeals, donations and corporate grants – commercial services			554 899		196 875
Legacies – commercial services			105 851		77 268
Business Ventures – commercial services			1 735 831		1 431 916
SED funding			397 537		557 740
Sundry revenue					
- Interest received from cash and cash equivalents			4 990		4 617
			<u>4 926 892</u>		<u>4 389 727</u>
Operating expenditure					
Attendant care services		1 757 579		1 746 444	
Commercial services		2 505 484		2 958 552	
Governance		135 049		143 491	
Social work services		856 256		884 600	
Workshops		38 145		43 875	
			<u>5 292 513</u>		<u>5 776 962</u>
Operating loss	10		(365 621)		(1 387 235)
Income/(expenditure) from investments					
Net surplus on disposal of PPE		44 668		-	
Fair value of held for trading investments		(270 792)		(156 480)	
Profit on disposal of held for trading investments		296 499		280 166	
Interest received		729		17 798	
Dividends received		6 538		15 063	
			<u>77 642</u>		<u>156 547</u>
Loss and total comprehensive income for the year			<u>(287 979)</u>		<u>(1 230 688)</u>

Association for the Physically Disabled – Greater Johannesburg

Statement of changes in reserves and funds for the year ended 31 March 2016

	General fund R	Investment reserve R	Total R
Balance at 31 March 2014	1 100 320	471 530	1 571 850
Loss/total comprehensive income for the year	(1 230 688)	–	(1 230 688)
Transfer of fair value adjustment on held for trading investments	156 480	(156 480)	–
Balance at 31 March 2015	26 112	315 050	341 162
Loss/total comprehensive income for the year	(287 979)	–	(287 979)
Transfer of fair value adjustment on held for trading investments	270 792	(270 792)	–
Balance at 31 March 2016	8 925	44 258	53 183

Association for the Physically Disabled – Greater Johannesburg

Statement of cash flows for the year ended 31 March 2016

	<i>Note</i>	2016 R	2015 R
Cash flows from operating activities			
Cash utilised in operations	14.1	(493 315)	(839 968)
Interest received on investments		729	17 798
Interest received on bank balances		4 990	4 617
Dividends received on investments		6 538	15 063
Net cash outflow from operating activities		<u>(481 058)</u>	<u>(802 490)</u>
Cash flows from investing activities			
To maintain operations			
– additions to property, equipment and vehicles		(2 850)	(18 158)
– additions to investments		(28 030)	(111 370)
– proceeds on disposal of investments		630 850	600 555
– proceeds on disposal of property, equipment and vehicles		44 672	–
Net cash inflow from investing activities		<u>644 642</u>	<u>471 027</u>
Cash flows from financing activities			
Net decrease in donations and funds for specific purposes		(126 442)	(111 999)
Net decrease in interest bearing borrowings		(10 416)	(15 877)
Net cash outflow from financing activities		<u>(136 858)</u>	<u>(127 876)</u>
Net increase/(decrease) in cash and cash equivalents		26 726	(459 339)
Cash and cash equivalents at beginning of year	14.2	<u>107 329</u>	<u>566 668</u>
Cash and cash equivalents at end of year	14.2	<u>134 055</u>	<u>107 329</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016

1. Reporting entity

The Association for the Physically Disabled – Greater Johannesburg (“the Association”) is an entity domiciled in South Africa.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at their fair value.

2.3 Functional and presentation currency

These financial statements are presented in South African Rands (“R”), which is the Association’s functional currency.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

3. Significant accounting policies

3.1 Equipment and vehicles

Items of equipment and vehicles are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, equipment and vehicles.

The estimated useful lives are as follows –

- Wheelchairs 3 years
- Motor vehicles 5 years
- Furniture and equipment 10 years
- Computer equipment 3 years
- Leased assets over lease period

Surpluses (deficits) on the disposal of equipment and vehicles are credited (charged) to profit or loss. The surplus or deficit is the difference between the net disposal proceeds and the carrying amounts of the asset.

3.2 Impairment

The carrying amounts of the Association's equipment and vehicles are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is its net selling price. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount.

3.3. Investments

Investments are held for trading and are classified as current assets. They are stated at fair value with any resultant gain or loss recognised in profit or loss. The resultant gain or loss is then transferred to the investment reserve via the statement of changes in reserves and funds.

The fair value of financial instruments classified as held for trading is their quoted traded price at the reporting date.

3.4 Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises costs of purchase. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

3 Significant accounting policies (continued)

3.5 Leases

Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying assets to the Association are classified as finance leases. Assets acquired in terms of finance leases are capitalised as equipment and vehicles at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest method to determine the lease finance cost, which is recognised in profit or loss over the lease period, and the capital repayment, which reduces the liability of the lessor.

Operating leases

Leases are classified as operating leases where the lessor retains the risks and rewards of ownership of the underlying asset. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

3.6 Revenue

Revenue comprises subsidies and grants received, income from events, sales and donations, service fees, investment income and other non-operating income. Subsidies, fund raising income and service fees are recognised when the cash has been received. Investment income and other non-operating income are recognised on the accrual basis of accounting.

3.7 Employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Association has a present obligation to pay as a result of employees' service provided to the reporting date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

Obligations for contributions to defined contribution pension plans are recognised as an expense when they are due.

3.8 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts all of which are available for use by the Association unless otherwise stated.

3.9 Government grants

The Association has been awarded quarterly government grants amounting to R1 320 839 (2015: R1 381 136) for providing social care services to the physically disabled.

The grants are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

4. Financial risk management

4.1 Overview

The Association has exposure to the following risks from its use of financial instruments –

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for managing risk, and the Association's management of reserves and funds. Further quantitative disclosures are included throughout these financial statements.

Risk management is carried out in line with directives received from the Executive Board, in close co-operation with the central accounting department of the Association. Management, however, have the overall responsibility for the establishment and oversight of the Association's risk management framework.

The Association's risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

4.2 Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers and investments.

Trade and other receivables

The Association's exposure to credit risk is influenced mainly by the individual characteristics on each customer.

As the Association has not had a problem with the recoverability of its trade receivables, no impairment allowance has been raised for either the 2016 or 2015 financial years.

Investments

The Association limits its exposure to credit risk by only investing in liquid securities.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

4. Financial risk management (continued)

4.3 Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's name.

4.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates and traded quoted share prices, will affect the Association's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

5. Equipment and vehicles

	Cost R	Accumulated depreciation R	Net book value R
2016			
Wheel chairs	48 450	(48 448)	2
Motor vehicles – owned	632 080	(438 753)	193 327
Furniture and equipment – owned	197 083	(172 933)	24 150
– leased	67 882	(67 881)	1
Computer equipment	388 634	(334 771)	53 863
	<u>1 334 129</u>	<u>(1 062 786)</u>	<u>271 343</u>
2015			
Wheel chairs	48 450	(48 448)	2
Motor vehicles – owned	773 139	(533 140)	239 999
Furniture and equipment – owned	195 433	(163 316)	32 117
– leased	67 881	(63 356)	4 525
Computer equipment	431 204	(308 753)	122 451
	<u>1 516 107</u>	<u>(1 117 013)</u>	<u>399 094</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2016 (continued)

5. Equipment and vehicles (continued)

Net book value 2016	Wheel chairs R	Motor vehicles R	Furniture and equipment R	Computer equipment R	Total R
At beginning of year	2	239 999	36 642	122 451	399 094
Additions	-	-	1 650	1 200	2 850
Disposals	-	(2)	-	(2)	(4)
Depreciation	-	(46 670)	(14 141)	(69 786)	(130 597)
At end of year	2	193 327	24 151	53 863	271 343
2015					
At beginning of year	2	319 997	59 657	173 885	553 541
Additions	-	-	745	17 413	18 158
Disposals	-	-	-	-	-
Depreciation	-	(79 998)	(23 760)	(68 847)	(172 605)
At end of year	2	239 999	36 642	122 451	399 094

In 1993, Erf 5582 Eldorado Park Ext 7 was donated to The Association for the Physically Disabled by the City Council of Johannesburg. The contractual terms of the donation was that the Association should use the property for purposes of assisting the physically disabled or the property will revert to the donor. The Association currently uses this property for purposes as stipulated in the agreement.

	2016 R	2015 R
6. Investments		
<i>Held for trading</i>		
Listed investments		
- ordinary shares	-	430 497
- offshore investments	83 433	195 736
- property investments	-	34 313
	<u>83 433</u>	<u>660 546</u>
7. Deposits on call		
Settlement account for investments	<u>8 967</u>	<u>14 785</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2016 (continued)

	2016 R	2015 R
8. Interest bearing borrowings		
Finance lease liabilities	–	10 416
	–	10 416
Reflected as		
Current liabilities	–	10 416
	–	10 416

Finance lease liabilities are payable as follows –

	Future minimum lease payments	Interest expense	Present value of future minimum lease payments
2015			
Less than one year	10 943	527	10 416
	10 943	527	10 416

	2016 R	2015 R
9. Donations and funds for specific purposes		
Balance at beginning of year	126 442	238 441
Receipts during the year	–	50 000
Utilised during the year	(126 442)	(161 999)
Balance at end of year	–	126 442
	–	126 442

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2016 (continued)

	2016	2015
	R	R
10. Operating loss		
Operating loss is arrived at after taking into account -		
Audit fees	79 000	75 500
Depreciation	130 597	172 605
Rent paid	29 345	39 146
Salaries and wages	3 298 793	4 220 177
	3 298 793	4 220 177

11. Taxation

The Association is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

12. Defined contribution fund

Pension fund contributions are made on behalf of all employees to the Association for the Physically Disabled Pension Fund. The Fund is a defined contribution fund and is governed by the Pension Funds Act.

	2016	2015
	R	R
Contributions expensed	468 848	542 308
	468 848	542 308

13. Financial risk management

13.1 Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was –

	Carrying amount	
	2016	2015
	R	R
Trade and other receivables *	109 762	73 877
Related party receivable	17 935	14 044
Cash and cash equivalents	134 055	107 329
Held for trading financial assets	83 433	660 546
	345 185	855 796

* excluding VAT and prepayments.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

13. Financial risk management (continued)

13.2 Liquidity risk

The following are the contractual maturities of financial liabilities agreements –

2016	Carrying amount R	Contractual cash flows R	Within 1 year R	2 to 5 years R
Non-derivative financial liabilities				
Interest bearing borrowings	-	-	-	-
Trade and other payables *	330 824	330 824	330 824	-
Related party payables	-	-	-	-
	<u>330 824</u>	<u>330 824</u>	<u>330 824</u>	<u>-</u>
2015				
Non-derivative financial liabilities				
Interest bearing borrowings	10 416	10 943	10 943	-
Trade and other payables *	217 224	217 224	217 224	-
Related party payables	246 300	246 300	246 300	-
	<u>473 940</u>	<u>474 467</u>	<u>474 467</u>	<u>-</u>

* excluding VAT and employee provisions

13.3 Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows -

	2016		2015	
	Carrying amount R	Fair value R	Carrying amount R	Fair value R
Financial assets/(liabilities) not measured at fair value:				
Trade and other receivables	109 762	109 762	73 877	73 877
Related party receivable	17 935	17 935	14 044	14 044
Cash and cash equivalents	134 055	134 055	107 329	107 329
Trade and other payables	(330 824)	(330 824)	(217 224)	(217 224)
Interest bearing borrowings	-	-	(10 416)	(10 416)
Related party payables	-	-	(246 300)	(246 300)
Financial assets measured at fair value:				
Investments	83 433	83 433	660 546	660 546
	<u>14 361</u>	<u>14 361</u>	<u>381 856</u>	<u>381 856</u>

TW

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

13. Financial risk management (continued)

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments.

Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short term nature.

Trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to their short term nature.

Investments

The fair value is their quoted traded price at reporting date.

Fair value hierarchy

The different levels have been defined as follows –

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs for the asset or liability that are not on observable market data.

The following financial instruments are carried at fair value by valuation method –

	2016 Level 1	2015 Level 1
Investments	<u>83 433</u>	<u>660 546</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements for the year ended 31 March 2016 (continued)

	2016 R	2015 R
14. Notes to the statement of cash flows		
14.1 Cash utilised in operations		
Operating loss	(365 621)	(1 387 235)
Adjustments for		
– interest received from cash and cash equivalents	(4 990)	(4 617)
– depreciation	130 597	172 605
Working capital changes		
– decrease/(increase) in inventories	2 114	(1 304)
– (increase)/decrease in trade and other receivables	(23 697)	248 090
– increase in receivable from related party	(3 891)	(5 922)
– increase/(decrease) in trade and other payables	18 473	(107 885)
– (decrease)/increase in payable from related party	(246 300)	246 300
	<u>(493 315)</u>	<u>(839 968)</u>
14.2 Cash and cash equivalents		
Cash and cash equivalents comprise -		
Cash and cash equivalents	125 088	92 544
Deposits on call	8 967	14 785
	<u>134 055</u>	<u>107 329</u>

15. Related parties

The Director of the Association, the Office Manager and the Commercial Service Managers have been identified as key management personnel of the Association.

Remuneration of key management personnel was R1 488 272 for the year (2015 – R1 807 409).

The following related party receivables/(payables) exist at year end –

	2016 R	2015 R
Barrier Breakers Commercial Services (Pty) Ltd	–	(246 300)
Barrier Breakers Support Trust	17 935	14 044
	<u>17 935</u>	<u>14 044</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2016 (continued)

16. Going concern and subsequent events

The Association incurred a loss of R287 979 for the year ended 31 March 2016 (2015: loss of R1 230 688). During September 2015, the Association implemented its revised strategy whereby revenue streams were diversified, resulting in increased revenue of R537 165. Cost savings of R484 449 were realised. The Association generated positive cash flows for the year ended 31 March 2016 amounting to R26 726. Despite the revised strategy, the Association remains loss making and continues to experience liquidity problems. The Association's application to the National Lottery Distribution Trust Fund ("National Lottery") is still being processed; hence no funding was received from the National Lottery for the year ended 31 March 2016.

Subsequent to year-end, the City of Johannesburg waived R168 000 (included in trade and other payables at 31 March 2016) in respect of rates and services owed by the Association, in relation to the Eldorado Park property. To further assist the Association with its liquidity problem a related entity, Barrier Breakers Commercial Services Proprietary Limited ("Barrier Breakers"), provides the Association with the short-term funding where the need arises.

In line with the Association's revised strategy, the forecast presented by the Executive Board for the year ending 31 March 2017 indicates a return to profitability. This is, however, dependent on receiving the requested R1.5 million funding from the National Lottery. The Association continues to engage with the National Lottery with regard to the progress of its application.

The financial statements are prepared on the basis of accounting policies applicable to a going concern as the Executive Board believes that the Association will be profitable going forward. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The ability of the Association to continue as a going concern is, however, dependent on the successful implementation of its revised strategy, which includes diversified revenue streams and controlling of costs and obtaining the requested National Lottery funding. In the event that the revised strategy is not successfully implemented and the funding from the National Lottery is not obtained, a material uncertainty exists that may cast significant doubt on the ability of the Association to continue as a going concern.

17. Standards and interpretations not yet effective

At the date of authorisation of the financial statements of the Association for the Physically Disabled – Greater Johannesburg for the year ended 31 March 2016, the following applicable Standards and Interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 January 2016

- *Disclosure initiative* (Amendments to IAS 1)

Effective for the financial year commencing 1 January 2018

- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from contracts with customers*

All Standards and Interpretations will be adopted at their effective date.

Association for the Physically Disabled – Greater Johannesburg

Schedule of income

for the year ended 31 March 2016

2016	Social work R	Home based care R	Commercial services R	Support Services R	Total R
Income					
Subsidies	637 373				637 373
Grants – DOSD/DOH/Anglo/De Beers		1 320 839			1 320 839
Dividends				6 538	6 538
Interest				5 719	5 719
Profit on disposal of held for trading investments				296 499	296 499
Fair value adjustment of held for trading investments				(270 792)	(270 792)
Fees for services	5 030	11 690		27 953	44 673
Street collections			1 389		1 389
Events			72 441		72 441
Sales			51 069		51 069
Donations			219 899		219 899
Appeals – Corporate			335 000		335 000
SED funding			397 537		397 537
Legacies			105 851		105 851
Business ventures			1 612 224		1 612 224
New projects			123 607		123 607
Surplus on disposal of equipment and vehicles				44 668	44 668
Total income	642 403	1 332 529	2 919 017	110 585	5 004 534

The supplementary information presented does not form part of the financial statements and is unaudited

Association for the Physically Disabled – Greater Johannesburg

Schedule of income

for the year ended 31 March 2016

	Social work R	Home based care R	Commercial services R	Support Services R	Total R
Income	601 284	1 381 136			601 284
Subsidies					1 381 136
Grants – DOSD/DOH/Anglo/De Beers				15 063	15 063
Dividends				22 415	22 415
Interest				280 166	280 166
Profit on disposal of held for trading investments				(156 480)	(156 480)
Fair value adjustment of held for trading investments		12 657		3 200	15 857
Fees for services			2 970		2 970
Street collections			62 362		62 362
Events			57 702		57 702
Sales			146 875		146 875
Donations			50 000		50 000
Appeals – Corporate			557 740		557 740
SED funding			77 268		77 268
Legacies			1 339 144		1 339 144
Business ventures			92 772		92 772
New projects				164 364	164 364
Total income	601 284	1 393 793	2 386 833	164 364	4 546 274

The supplementary information presented does not form part of the financial statements and is unaudited

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2016

2016 Expenses	Social work R	Attendant care R	Governance R	Protective Workshops R	Commercial Services R	Support services R	Total R
Uniforms and clothing		1 042					1 042
Salaries and wages– VIP	447 921	925 021			509 781	1 344 486	3 227 209
Salaries and wages – casual		4 349			250	4 630	8 979
Long service awards						250	500
Service awards		1 000					1 000
Medical aid	8 100	5 400			3 375	16 200	33 075
Staff welfare	2 460	2 624			2 161	6 980	14 225
Staff training						1 850	1 850
Workman's compensation						17 231	17 231
Depreciation						130 596	130 596
Motor vehicle expenses– fuel and oil	8 982	5 324			13 925	37 298	65 529
Motor vehicle expenses– repairs and maintenance	3 759	2 483			2 135	11 430	19 807
Travel allowance	7 714	126 310			10 800		10 800
Travelling expenses					6 420	6 012	146 456
Courier and postage						1 566	1 566
Telephone and fax	20 159	17 537			15 163	22 117	74 976
Web costs	2 340	613			1 927	7 856	12 736
Affiliation fees						900	900

The supplementary information presented does not form part of the financial statements and is unaudited

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2016

2016 Expenses	Social work	Attendant care	Governance	Protective Workshop	Commercial services	Support services	Total
	R	R	R	R	R	R	R
Audit fees			79 000				79 000
Professional Fees						125 950	125 950
Golf Day					44 646		44 646
Casual					37 668		37 668
Christmas Cards					49		49
Donation					64 856		64 856
Business Ventures					762 270		762 270
New Projects					80 457		80 457
APD Products					14 451		14 451
Annual Report					2 336		2 336
Annual General Meeting			7 188				7 188
Bank Charges	3 418	14 333			2 952		32 126
Interest Paid						14 628	14 628
Management Fees						1 175	1 175
Computer Expenses	16 564	10 930			10 210	31 621	69 325
Electricity and Water	5 021	1 533		25 000	3 457	12 836	47 847
Insurance and Licences	454	194			663	79 890	81 201
Printing and stationery	755	944			5 739	5 024	12 462
Rent Paid	15 512	688		13 145			29 345
Repairs and maintenance – Buildings						377	377
Repairs and maintenance – Equipment	87	114				1 742	1 943
Security	3 215	1 245			3 305	6 777	14 542
Capacity building						194	194
546 461	1 121 684	86 188	38 145	1 598 996	1 901 039	5 292 513	
Re-allocation							
For distribution	309 795	635 895	48 861	–	906 488	(1 901 039)	–
Total expenses	856 256	1 757 579	135 049	38 145	2 505 484	–	5 292 513

The supplementary information presented does not form part of the financial statements and is unaudited

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2016

	Social work R	Attendant care R	Governance R	Protective Workshops R	Commercial Services R	Support services R	Total R
Expenses							
Uniforms and clothing		13 657				1 500	15 157
Salaries and wages– VIP	482 898	859 897			1 231 309	1 445 472	4 019 576
Salaries and wages – casual		42 210				2 964	45 174
Salaries and wages – merit bonus	8 200	36 567			14 533	14 200	73 500
Long service awards		1 010			3 570	2 459	7 039
Service awards		1 010					1 010
Medical aid	6 900	6 900			6 900	13 800	34 500
Staff welfare	2 867	4 968			8 622	18 797	35 254
Staff training					150	7 026	7 176
Workman's compensation						13 459	13 459
Depreciation						172 605	172 605
Motor vehicle expenses– fuel and oil	7 005	6 782			30 852	28 004	72 643
Motor vehicle expenses– repairs and maintenance	5 348	187			14 180	4 462	24 177
Travel allowance					25 920		25 920
Travelling expenses	6 875	124 731			12 684	13 903	158 193
Courier and postage					171	1 204	1 375
Telephone and fax	19 859	20 958			45 637	21 973	108 427
Web costs	1 329				6 603	6 569	14 501
Affiliation fees						750	750

The supplementary information presented does not form part of the financial statements and is unaudited

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2016

2015 Expenses	Social work		Attendant care		Governance		Protective Workshop		Commercial services		Support services		Total	
	R	R	R	R	R	R	R	R	R	R	R	R	R	
Audit fees					75 500							3 750	75 500	
Professional Fees									39 930				3 750	
Golf Day									53 732				39 930	
Casual									3 578				53 732	
Christmas Cards									72 318				3 578	
Donation									216 599				72 318	
Business Ventures									44 565				216 599	
New Projects									10 011				44 565	
APD Products									10 288				10 011	
Annual Report													10 288	
Annual General Meeting				19 277									19 277	
Bank Charges	3 295	12 174							9 169				32 468	
Interest Paid											7 830		4 220	
Management Fees											4 307		4 307	
PR Marketing									750				750	
Cleaning	140	1 020											1 160	
Computer Expenses	15 885	10 104							43 690				116 318	
Entertainment											46 639		1 028	
Electricity and Water	5 154	2 358					40 464		10 131				13 744	
Insurance and Licences	227	194							1 571				81 972	
Printing and stationery	1 327	3 547							10 995				2 548	
Rent Paid	14 914	4 130					3 411		16 692				39 147	
Repairs and maintenance – Buildings	263	7									3 247		3 517	
Repairs and maintenance equipment	70	245							120		445		880	
Security	1 728	882							8 303		6 968		17 881	
Subscriptions									570		500		1 070	
Capacity building														
	584 284	1 153 538		94 777		43 875		1 954 143		1 946 345			5 776 962	
Re-allocation For distribution	300 316	592 906		48 714				1 004 409		(1 946 345)				
Total expenses	884 600	1 746 444		143 491		43 875		2 958 552					5 776 962	

The supplementary information presented does not form part of the financial statements and is unaudited