



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

Financial Statements

for the year ended 31 March 2015

Audited

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

Financial Statements
for the year ended 31 March 2015

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Association for the Physically Disabled – Greater Johannesburg

Executive Board's responsibility statement

for the year ended 31 March 2015

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 2015, 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.

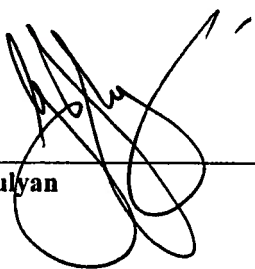
The Executive Board are also responsible for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective 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 17 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.

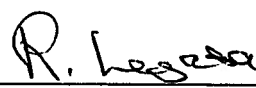
The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

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 25 September 2015 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 2015, 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 5 to 20.

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 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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.

Registration number 1999/021543/21 **3**

Policy Board:
Chief Executive: TH Hoole

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

Other Directors: LP Fourie, N Fubu,
AH Jaffer (Chairman of the Board), FA Karreem,
ME Magondo, AMS Mokgabudi, 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.



Emphasis of matter

We draw attention to note 17 to the financial statements which indicates that the Association for the Physically Disabled – Greater Johannesburg incurred a loss of R 1 230 688 for the year ended 31 March 2015 and is currently experiencing liquidity problems. Note 17 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.

Other matter

Supplementary information set out on pages 21 to 27 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

KPMG Inc.

A handwritten signature in black ink, appearing to be 'ML Watson', written in a cursive style.

Per: ML Watson
Chartered Accountant (SA)
Registered Auditor
Director
25 September 2015

Association for the Physically Disabled – Greater Johannesburg

Statement of financial position

at 31 March 2015

Assets	<i>Note</i>	2015 R	2014 R
Non-current assets			
Equipment and vehicles	5	399 094	553 541
Current assets			
Inventories		38 398	37 094
Trade and other receivables		100 109	342 277
Investments	6	660 546	1 026 045
Deposits on call	7	14 785	521 633
Cash and cash equivalents		92 544	45 035
Total assets		1 305 476	2 525 625
Reserves, funds and liabilities			
General fund		341 162	1 571 850
Investment reserve		26 112	1 100 320
		315 050	471 530
Non-current liabilities			
Interest bearing borrowings	8	–	10 416
Current liabilities			
Trade and other payables		964 314	943 359
Related party payable	15	581 156	689 041
Donations and funds for specific purposes	9	246 300	–
Short term portion of interest bearing borrowings	8	126 442	238 441
		10 416	15 877
Total reserves, funds and liabilities		1 305 476	2 525 625

Association for the Physically Disabled – Greater Johannesburg

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2015

	Note	2015		2014	
		R	R	R	R
Revenue					
National Lottery					
Distribution Trust fund			–		755 205
Subsidies for social work services and protective workshops			601 284		578 161
Events, sales and street collections – commercial services			123 034		155 209
Fees for services – social work services/home based care			15 857		43 324
Grants for home based care			1 381 136		836 808
Appeals, donations and corporate grants – commercial services			196 875		197 902
Legacies – commercial services			77 268		161 977
Business Ventures – commercial services			1 431 916		1 330 594
SED funding			557 740		450 000
Sundry revenue					
– Interest received from cash and cash equivalents			4 617		4 544
			<u>4 389 727</u>		<u>4 513 724</u>
Operating expenditure					
Attendant care services		1 746 444		1 420 090	
Commercial services		2 958 552		3 050 691	
Governance		143 491		124 098	
Social work services		884 600		831 483	
Workshops		43 875		24 443	
			<u>5 776 962</u>		<u>5 450 805</u>
Operating loss	10		(1 387 235)		(937 081)
Income/(expenditure) from investments					
Net surplus on disposal of PPE		–		33 146	
Fair value of held for trading investments		(156 480)		(314 371)	
Profit on disposal of held for trading investments		280 166		591 563	
Interest received		17 798		21 755	
Dividends received		15 063		33 202	
			<u>156 547</u>		<u>365 295</u>
Loss and total comprehensive income for the year			<u>(1 230 688)</u>		<u>(571 786)</u>

Association for the Physically Disabled – Greater Johannesburg

Statement of changes in reserves and funds

for the year ended 31 March 2015

	General fund R	Investment reserve R	Total R
Balance at 31 March 2013	1 357 735	785 901	2 143 636
Loss/total comprehensive income for the year	(571 786)		(571 786)
Transfer of fair value adjustment on held for trading investments	314 371	(314 371)	–
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

Association for the Physically Disabled – Greater Johannesburg

Statement of cash flows

for the year ended 31 March 2015

	<i>Note</i>	2015 R	2014 R
Cash flows from operating activities			
Cash utilised in operations	14.1	(839 968)	(844 424)
Interest received on investments		17 798	21 755
Interest received on bank balances		4 617	4 544
Dividends received on investments		15 063	33 202
Net cash outflow from operating activities		(802 490)	(784 923)
Cash flows from investing activities			
To maintain operations			
– additions to property, equipment and vehicles		(18 158)	(392 662)
– additions to investments		(111 370)	(8 806)
– proceeds on disposal of investments		600 555	1 104 578
– proceeds on disposal of property, equipment and vehicles		–	58 011
Net cash inflow from investing activities		471 027	761 121
Cash flows from financing activities			
Net (decrease)/increase in donations and funds for specific purposes		(111 999)	78 940
Net decrease in interest bearing borrowings		(15 877)	(13 678)
Net cash (outflow)/inflow from financing activities		(127 876)	65 262
Net (decrease)/increase in cash and cash equivalents		(459 339)	41 460
Cash and cash equivalents at beginning of year	14.2	566 668	525 208
Cash and cash equivalents at end of year	14.2	107 329	566 668

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015

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 (IFRSs).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in South African Rands (R), which is the entity’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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (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 5 years

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 2015 (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 381 136 (2014: R836 808) 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 2015 (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 2015 or 2014 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 2015 (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.

Borrowings are generally at a rate linked to the prime bank overdraft rate.

5. Property, equipment and vehicles

	Cost R	Accumulated depreciation R	Net book value R
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>
2014			
Wheel chairs	48 450	(48 448)	2
Motor vehicles – owned	773 139	(453 142)	319 997
Furniture and equipment – owned	194 688	(153 133)	41 555
– leased	67 881	(49 779)	18 102
Computer equipment	413 791	(239 906)	173 885
	<u>1 497 949</u>	<u>(944 408)</u>	<u>553 541</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

5. Property, equipment and vehicles (continued)

Net book value 2015	Wheel chairs R	Motor vehicles R	Furniture and equipment R	Computer equipment R	Total R
At beginning of year	2	319 997	59 657	173 885	553 541
Additions	–	–	745	17 413	18 158
Depreciation	–	(79 998)	(23 760)	(68 847)	(172 605)
At end of year	2	239 999	36 642	122 451	399 094
2014					
At beginning of year	2	208 968	81 986	10 985	301 941
Additions	–	199 995	2 628	190 039	392 662
Depreciation	–	(64 849)	(24 209)	(27 139)	(116 197)
Disposals	–	(24 117)	(748)	–	(24 865)
At end of year	2	319 997	59 657	173 885	553 541

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.

6. Investments	2015 R	2014 R
<i>Held for trading</i>		
Listed investments		
– ordinary shares	430 497	397 491
– offshore investments	195 736	600 840
– property investments	34 313	27 714
	<u>660 546</u>	<u>1 026 045</u>
7. Deposits on call		
Settlement account for investments	<u>14 785</u>	<u>521 633</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 R	2014 R
8. Interest bearing borrowings		
Finance lease liabilities	<u>10 416</u>	<u>26 293</u>
Reflected as		
Non-current liabilities	–	10 416
Current liabilities	<u>10 416</u>	<u>15 877</u>

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	<u>10 943</u>	<u>527</u>	<u>10 416</u>
	<u>10 943</u>	<u>527</u>	<u>10 416</u>
2014			
Less than one year	18 759	2 882	15 877
Between one and five years	<u>10 943</u>	<u>527</u>	<u>10 416</u>
	<u>29 702</u>	<u>3 409</u>	<u>26 293</u>

	2015 R	2014 R
9. Donations and funds for specific purposes		
Balance at beginning of year	238 441	159 501
Receipts during the year	50 000	105 000
Utilised during the year	<u>(161 999)</u>	<u>(26 060)</u>
Balance at end of year	<u>126 442</u>	<u>238 441</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

10. Operating loss	2015 R	2014 R
Operating loss is arrived at after taking into account -		
Audit fees	75 500	72 000
Depreciation	172 605	116 197
Rent paid	39 146	22 490
Salaries and wages	4 220 177	3 873 787
	<u> </u>	<u> </u>

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.

	2015 R	2014 R
Contributions expensed	542 308	488 918
	<u> </u>	<u> </u>

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	
	2015 R	2014 R
Trade and other receivables *	87 921	342 277
Cash and cash equivalents	107 329	566 668
Held for trading financial assets	660 546	1 026 045
	<u> </u>	<u> </u>
	<u>855 796</u>	<u>1 934 990</u>

* excluding VAT and prepayments.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

13. Financial risk management (continued)

13.2 Liquidity risk

The following are the contractual maturities of financial liabilities agreements –

2015	Carrying amount R	Contractual cash flows R	Within 1 year R	2 to 5 years R
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>
2014				
Non-derivative financial liabilities				
Interest bearing borrowings	26 293	29 702	18 759	10 943
Trade and other payables *	283 612	283 612	283 612	–
	<u>309 905</u>	<u>313 314</u>	<u>302 371</u>	<u>10 943</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 -

	2015		2014	
	Carrying amount R	Fair value R	Carrying amount R	Fair value R
Financial assets/(liabilities) not measured at fair value:				
Trade and other receivables	87 921	87 921	342 277	342 277
Cash and cash equivalents	107 329	107 329	566 668	566 668
Trade and other payables	(217 224)	(217 224)	(283 612)	(283 612)
Interest bearing borrowings	(10 416)	(10 416)	(26 293)	(26 293)
Related party payables	(246 300)	(246 300)	–	–
Financial assets measured at fair value:				
Investments	660 546	660 546	1 026 045	1 026 045
	<u>381 856</u>	<u>381 856</u>	<u>1 625 085</u>	<u>1 625 085</u>

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (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 –

	2015	2014
	Level 1	Level 1
Investments	660 546	1 026 045

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015	2014
	R	R
14. Notes to the statement of cash flows		
14.1 Cash utilised in operations		
Operating loss	(1 387 235)	(937 081)
Adjustments for		
– interest received from cash and cash equivalents	(4 617)	(4 544)
– depreciation	172 605	116 197
Working capital changes		
– (increase)/decrease in inventories	(1 304)	17 524
– decrease/(increase) in trade and other receivables	242 168	(209 632)
– (decrease)/increase in trade and other payables	(107 855)	173 112
– increase in payable from related party	246 300	–
	<u>(1 839 968)</u>	<u>(844 424)</u>
14.2 Cash and cash equivalents		
Cash and cash equivalents comprise -		
Cash and cash equivalents	92 544	45 035
Deposits on call	14 785	521 633
	<u>107 329</u>	<u>566 668</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 807 409 for the year (2014 – R1 920 161).

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

	2015	2014
	R	R
Barrier Breakers Commercial Services (Pty) Ltd	(246 300)	12 503
Barrier Breakers Support Trust	14 044	8 122
	<u>14 044</u>	<u>8 122</u>

16. Contingent liability

Erf 5582 Eldorado park Ext 7 is currently occupied by St Raphael Workshop for the Physically Disabled, who is responsible for the municipal charges related to this property. Should the Association dispose of this property to a third party, APD would be liable for all unsettled municipal charges related to that property. At 31 March 2015, the unsettled municipal charges are estimated to amount to R345 519.

Association for the Physically Disabled – Greater Johannesburg

Notes to the financial statements

for the year ended 31 March 2015 (continued)

17. Going concern and subsequent events

The Association incurred a loss of R 1 230 688 for the year ended 31 March 2015 (2014: loss of R571 786) partly due to no funding being received from the National Lottery Distribution Trust Fund (“National Lottery”) and due to the cost base of the Association increasing in order to invest in the commercial services division of the Association. The Association established the commercial services division to diversify its income generating activities. The Association has been incurring losses over the past four years that has led to the depletion of its investments and cash balances. The Association is currently experiencing liquidity problems.

To address the Association’s current liquidity problem, the Executive Board have revised its strategy whereby all commercial services will be rendered, effective 1 September 2015, by Barrier Breakers Commercial Services Proprietary Limited. The Association will focus primarily on community services for the physically disabled communities in the Greater Johannesburg area. This revised strategy is expected to realise cost savings of R680 000 given that the Commercial Services employees will no longer be employees of the Association but their employment will transfer to Barrier Breakers Commercial Services Proprietary Limited. The return to profitability is, however, dependent on receiving future funding from the National Lottery as well as the Association continuing to control its costs. On 24 August 2015, the Association submitted an application to the National Lottery requesting R 1.5 million in funding.

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 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 based on obtaining the National Lottery funding. In the event that 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.

18. 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 2015, the following applicable Standards and Interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 April 2016

- *Disclosure initiative* (Amendment to IAS 1)

Effective for the financial year commencing 1 April 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 2015

2015

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

Association for the Physically Disabled – Greater Johannesburg

Schedule of income

for the year ended 31 March 2015

2014

Income	Social work R	Home based care R	Commercial services R	Support Services R	Total R
Subsidies	578 161				578 161
Grants – DOSD/DOH/Anglo/De Beers		836 808			836 808
Dividends				33 202	33 202
Interest				26 299	26 299
Profit on disposal of held for trading investments				591 563	591 563
Fair value adjustment of held for trading investments				(314 371)	(314 371)
Surplus on disposal of equipment and vehicles				33 453	33 453
Loss on disposal of equipment and vehicles				(307)	(307)
Fees for services	4 468	28 856		10 000	43 324
Tin collections			2 356		2 356
Events			73 594		73 594
Sales			79 259		79 259
Donations			187 902		187 902
Appeals – Corporate			765 205		765 205
SED funding			450 000		450 000
Legacies			161 977		161 977
Business ventures			1 132 464		1 132 465
New projects			198 130		198 130
Total income	582 629	865 664	3 050 887	379 839	4 879 019

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2015

2015 Expenses	Social work R	Attendant care R	Governance R	Protective Workshops R	Commercial Services R	Support services R	Total R
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	6 875	124 731			25 920		25 920
Travelling expenses					12 684	13 903	158 193
Courier and postage	19 859	20 958			171	1 204	1 375
Telephone and fax	1 329				45 637	21 973	108 427
Web costs					6 603	6 569	14 501
Affiliation fees						750	750

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2015

2015	Social work	Attendant care	Governance	Protective Workshop	Commercial services	Support services	Total
Expenses	R	R	R	R	R	R	R
Audit fees			75 500				75 500
Professional Fees						3 750	3 750
Golf Day					39 930		39 930
Casual					53 732		53 732
Christmas Cards					3 578		3 578
Donation					72 318		72 318
Business Ventures					216 599		216 599
New Projects					44 565		44 565
APD Products					10 011		10 011
Annual Report					10 288		10 288
Annual General Meeting		12 174	19 277				19 277
Bank Charges	3 295				9 169	7 830	32 468
Interest Paid						4 220	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	46 639	116 318
Entertainment						1 028	1 028
Electricity and Water	5 154	2 358		40 464	10 131	13 744	71 851
Insurance and Licences	227	194			1 571	81 972	83 964
Printing and stationery	1 327	3 547			10 995	2 548	18 417
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	300 316	592 906	48 714	-	1 004 409	(1 946 345)	
For distribution	884 600	1 746 444	143 491	43 875	2 958 552	-	5 776 962
Total expenses							

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2015

	Social work R	Attendant care R	Governance R	Protective Workshops R	Commercial Services R	Support services R	Total R
Uniforms and clothing		7 409				1 500	8 909
Salaries and wages- VIP	480 026	665 681			1 243 945	1 359 173	3 748 825
Salaries and wages – casual		44 780			12 975	7 717	65 472
Salaries and wages – merit bonus	(14 292)						(14 292)
Long service awards	500	500			250	4 189	5 439
Service awards		1 000				1 000	2 000
Medical aid	5 700	5 700			5 700	11 400	28 500
Staff welfare	2 706	2 851			5 569	9 327	20 453
Staff training						6 712	6 712
Workman's compensation						18 643	18 643
Depreciation						116 156	116 156
Motor vehicle expenses- fuel and oil	13 175	9 150			30 350	43 103	95 778
Motor vehicle expenses- repairs and maintenance	5 499	4 499			13 001	12 410	35 409
Travel allowance	7 507	138 981			19 200	15 530	19 200
Travelling expenses	110				150		162 168
Courier and postage	18 654	25 421			689	587	1 386
Telephone and fax	1 490				38 884	36 779	119 738
Web costs					6 222	7 138	14 850
Affiliation fees						700	700

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses

for the year ended 31 March 2015

2014

Expenses	Social work R	Attendant care R	Governance R	Protective Workshop R	Commercial services R	Support services R	Total R
Audit fees			72 000				72 000
Legal Fees						9 249	9 249
Professional Fees						5 000	5 000
Golf Day					49 888		49 888
Casual Day					66 275		66 275
Christmas Cards					19 244		19 244
Donation					68 796		68 796
Business Ventures					199 895		199 895
New Projects					129 915		129 915
APD Products					10 604		10 604
Annual Report					9 639		9 639
Annual General Meeting			10 055				10 055
Bank Charges	3 538	12 235			8 336	9 869	33 978
Interest Paid						9 705	9 705
Management Fees					1 949	7 995	7 995
PR Marketing							1 949
Cleaning	672	3 360				736	4 768
Computer Expenses	9 965	6 419			27 180	35 391	78 955
Entertainment					420	748	1 168
Electricity and Water	4 999	2 499		21 032	9 416	11 927	49 823
Insurance and Licences	261				914	65 896	67 071
Printing and Stationery	2 626	2 986			18 111	10 618	34 341
Rent Paid	4 130	4 130		3 411	10 819		22 490
Repairs and maintenance – Buildings	52	53				4 691	4 796

Association for the Physically Disabled – Greater Johannesburg

Schedule of expenses for the year ended 31 March 2015

2014 Expenses	Social work R	Attendant care R	Governance R	Protective workshops R	Commercial services R	Support services R	Total R
Repairs and maintenance equipment	2 269	1 377			140	5 119	5 259
Security	200				8 679	9 376	21 701
Subscriptions	549 787	938 981	82 055	24 443	2 017 155	1 838 384	5 450 805
Re-allocation	281 696	481 109	42 043	–	1 033 536	(1 838 384)	–
For distribution	831 483	1 420 090	124 098	24 443	3 050 691	–	5 450 805
Total expenses							