

**Denzhe Primary Care NPO
(Registration number 098-122-NPO)
Annual Financial Statements
for the year ended 28 February 2018
Dalia Consulting (Pty)Ltd
Professional Accountants (SA)**

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non Profit Organisation
Directors	Nkumbuleni Lesley Ramulifho Takalani Tshikalange Liesl Joy Moses
Registered office	21A Garsfontein Office Park 645 Jacqueline Drive Gasfontein Pretoria 0002
Reviewers	Dalia Consulting (Pty)Ltd Professional Accountants (SA)
Secretary	Liesl Joy Moses
Company registration number	098-122-NPO
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Index

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

Index	Page
Directors' Responsibilities and Approval	3
Independent Reviewers' Report	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12
Detailed Income Statement	13 - 14

Published

25 April 2019

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Directors' Responsibilities and Approval

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

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

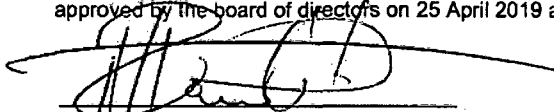
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards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

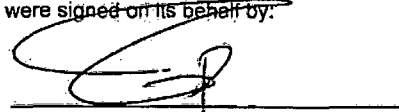
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the company's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewers and their report is presented on page 4.

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board of directors on 25 April 2019 and were signed on its behalf by:



Nkumaleni Lesley Ramulifho

Takalani Tshikalange

Independent Reviewers' Report

To the member of Denzhe Primary Care NPO

We have audited the annual financial statements of Denzhe Primary Care NPO, as set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Reviewers' 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 reviewers' 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 audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Denzhe Primary Care NPO as at 28 February 2018, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 28 February 2018, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Dalia Consulting (Pty)Ltd
Director

25 April 2019

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Denzhe Primary Care NPO for the year ended 28 February 2018.

1. Nature of business

Denzhe Primary Care NPO was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

2. Review of financial results and activities

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

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

3. Directors

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

Directors	Office	Designation
Nkumbuleni Lesley Ramulifho	Chairperson	Executive
Takalani Tshikalange	Chairperson	Executive
Liesl Joy Moses	Other	Executive

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

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

5. Events after the reporting period

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

6. Going concern

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

7. Review

The financial statements are subject to an independent review and have been reviewed by Dalia Consulting (Pty)Ltd

8. Secretary

The company secretary is Liesl Joy Moses.

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

Figures in Rand	Note(s)	2018
Assets		
Non-Current Assets		
Property, plant and equipment	2	17 547 236
		22 033 179
Total Assets		22 033 179
Equity and Liabilities		
Equity		
Share capital		9 000 000
Retained income		11 447 002
		20 447 002
Liabilities		
Current Liabilities		
Trade and other payables	3	1 586 177
Total Equity and Liabilities		22 033 179

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018
Revenue	4	18 000 000
Operating expenses		(6 552 998)
Operating profit		11 447 002
Profit for the year		11 447 002
Other comprehensive income		-
Total comprehensive income for the year		11 447 002

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Profit for the year	-	11 447 002	11 447 002
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	11 447 002	11 447 002
Transfer between reserves	9 000 000	-	9 000 000
Total contributions by and distributions to owners of company recognised directly in equity	9 000 000	-	9 000 000
Balance at 28 February 2018	9 000 000	11 447 002	20 447 002

Note(s)

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018
Cash flows from operating activities		
Cash generated from operations	5	13 033 179
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(17 547 236)
Cash flows from financing activities		
Proceeds on share issue		9 000 000
Net cash from financing activities		4 514 057

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 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
Buildings	50 years
Plant and machinery	10 years
Furniture and fixtures	5 years
Office equipment	5 years

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

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

1.2 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

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.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.4 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Accounting Policies

1.4 Government grants (continued)

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

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

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

1.5 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.6 Borrowing costs

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

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in Rand

2018

2. Property, plant and equipment

	2018		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Buildings	13 272 161	-	13 272 161
Furniture and fixtures	1 873 797	-	1 873 797
Office equipment	988 849	-	988 849
Other property, plant and equipment	1 412 429	-	1 412 429
Total	17 547 236	-	17 547 236

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Total
Buildings	-	-	13 272 161
Furniture and fixtures	-	1 873 797	1 873 797
Office equipment	-	988 849	988 849
Other property, plant and equipment	-	1 412 429	1 412 429
	-	4 275 075	17 547 236

3. Trade and other payables

VAT	1 586 177
-----	-----------

4. Revenue

National Lottery Grant	18 000 000
------------------------	------------

5. Cash generated from operations

Profit before taxation	11 447 002
Changes in working capital:	
Trade and other payables	1 586 177
	13 033 179

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in Rand	Note(s)	2018
Revenue		
National Lotteries Grants		18 000 000
Expenses (Refer to page 14)		(6 552 998)
Profit for the year		11 447 002

Denzhe Primary Care NPO

(Registration number 098-122-NPO)

Annual Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in Rand	Note(s)	2018
Operating expenses		
Cleaning		(91 148)
Consulting and professional fees		(126 619)
Employee costs		(1 846 090)
Sundry Expense		(38 456)
Travel		(258 000)
Demolition Expenditure		(328 000)
Soil Sampling		(74 000)
Rubble Removal		(156 525)
Leasing -Excavator		(440 821)
Safety Gear		(168 000)
Engineering Expenses		(511 709)
Building Specialists		(179 179)
Staff Expenses		(320 000)
General Expenses		(340 994)
Lease rentals on operating lease		(520 383)
Legal expenses		(329 925)
Municipal expenses		(153 576)
Repairs and maintenance		(273 573)
Training		(396 000)
		(6 552 998)