

CAPE FLATS DEVELOPMENT ASSOCIATION
(Registration number NPO No. 002-938)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2014

Cape Flats Development Association

(Registration number NPO No. 002-938)

Annual Financial Statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Engaged in the provision of a range of social and developmental services to those greatest in need
Executive committee members	Mr. Kevin Southgate (Chairperson) Mr. Mark Rossouw (Deputy Chairperson) Mr. Hillyne Jonkerman (Treasurer) Mr. David Sauls (Secretary) Mr. Derick Fortuin (Member) Mr. Michael Johnstone (Member) Mr. Daniel Comelson (Member) Ms. Yolinda Rossa (Member) Mr. Marcel Williams (Member) Mr. Anthony Martin (Member) Mr. Peter Gato (acting General Manager - Ex Officio)
Business address	Cnr 8th Avenue and Prince George Drive Grassy Park 7948
Postal address	PO Box 211 Retreat 7965
Bankers	Standard Bank Limited
Auditors	BDV Platinum Chartered Accountants (S.A.) Registered Auditors
Company registration number	NPO No. 002-938
Tax reference number	930003992

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Executive Committee Member's Responsibilities and Approval

The executive committee members are required by the constitution, 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 association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in Note 1. to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

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

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

The executive committee members have reviewed the association's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.


Member


Member

Westlake

14 October 2014

Independent Auditors' Report

To the members of Cape Flats Development Association

We have audited the annual financial statements of Cape Flats Development Association, as set out on pages 7 to 20, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Executive Committee Members' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in Note 1. to the financial statements, and requirements of the constitution, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

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

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

We were unable to satisfy ourselves to the completeness of fixed assets received in kind and other fixed assets capitalised up to 31 March 2014. Since the non-capitalisation of assets enter into the determination of financial performance and cash flows, we were unable to determine whether adjustments to loss for the year and net cash flows from operating activities might be necessary.

Qualified Opinion

In our opinion, except for the possible effects of adjustments, if any, which we might have determined to be necessary had we been able to audit cash collections and the completeness of fixed assets received in kind as described in the Basis for Qualified Opinion paragraph, the annual financial statements reflect the financial position of Cape Flats Development Association as at 31 March 2014, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 to the annual financial statements, and in the manner required by the constitution.

Emphasis of Matter

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

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

Independent Auditors' Report

Other matter

We draw attention to the fact that supplementary information set out on pages 21 to 22 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required

As part of our audit of the annual financial statements for the year ended 31 March 2014, we have read the executive committee members' 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.



BDV Platinum
Registered Auditors

14 October 2014
Westlake
49 Bell Crescent
Westlake Business Park
Westlake
7945

BDV Platinum Financial Workshop (Pty) Ltd
Company Reg No: 2014/128739/07 | VAT No: 4140184244
Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7945
Postal Address: PO Box 31408 | Tokai 7966 | Email: admin@bdvplatinum.com
Telephone: 021 701 7620 | Fax: 086 638 8572 | Web: www.bdvplatinum.com
Directors: Bream de Vries, Mark Dawson | Practice No: 903104

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Executive Committee Members' Report

The executive committee members have pleasure in submitting their report on the annual financial statements of Cape Flats Development Association and its associates for the year ended 31 March 2014.

1. Nature of business

Cape Flats Development Association was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

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 constitution. The accounting policies have been applied consistently compared to the prior year.

The company recorded a loss after tax for the year ended 31 March 2014 of R(770,089).

3. Executive committee members (Governing board)

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

Mr. Kevin Southgate (Chairperson)
Mr. Mark Rossouw (Deputy Chairperson)
Mr. Hillyne Jonkerman (Treasurer)
Mr. David Sauls (Secretary)
Mr. Derick Fortuin (Member)
Mr. Michael Johnstone (Member)
Mr. Daniel Cornelson (Member)
Ms. Yolinda Rossa (Member)
Mr. Marcel Williams (Member)
Mr. Anthony Martin (Member)
Mr. Peter Cato (acting General Manager - Ex Officio)

4. Events after the reporting period

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

5. Auditors

BDV Platinum CA (SA) continued in office as auditors for the association for 2014.

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Statement of Financial Position as at 31 March 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,069,909	6,174,170
Investments	3	8,080,000	8,083,800
		14,149,909	14,257,970
Current Assets			
Trade and other receivables	4	175,132	109,117
Cash and cash equivalents	5	2,107,866	968,443
		2,282,998	1,077,560
Total Assets		16,432,907	15,335,530
Equity and Liabilities			
Equity			
Special capital funds	6	1,700,000	1,700,000
Reserves		8,080,000	8,083,800
Retained income		1,727,221	3,192,449
		11,507,221	12,976,249
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	186,072	198,757
Deferred income	8	4,056,645	1,547,787
		4,242,717	1,746,544
Current Liabilities			
Other financial liabilities	7	20,398	18,168
Trade and other payables	11	253,235	289,432
Deferred income	8	267,390	145,506
Provisions	9	141,946	138,081
Fund user administration	10	-	21,550
		682,969	612,737
Total Liabilities		4,925,686	2,359,281
Total Equity and Liabilities		16,432,907	15,335,530

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue	12	3,541,371	2,943,854
Other income	13	2,552,139	4,282,433
Operating expenses		(6,891,548)	(6,664,016)
Operating (loss) profit		(798,038)	562,271
Investment revenue	14	53,581	33,383
Finance costs	15	(25,632)	(13,918)
(Loss) profit for the year		(770,089)	581,736
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(770,089)	581,736

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Statement of Changes in Equity

Figures in Rand	Special capital funds	Restricted capital reserve	Total reserves	Retained income	Total funds
Balance at 01 April 2012	1,700,000	6,148,400	7,848,400	2,610,713	10,459,113
Profit for the year	-	-	-	581,736	581,736
Other comprehensive income	-	1,935,400	1,935,400	-	1,935,400
Total comprehensive income for the year	-	1,935,400	1,935,400	581,736	2,517,136
Balance at 01 April 2013	1,700,000	8,083,800	9,783,800	3,192,449	12,976,249
Loss for the year	-	-	-	(770,089)	(770,089)
Other comprehensive income	-	(3,800)	(3,800)	-	(3,800)
Total comprehensive loss for the year	-	(3,800)	(3,800)	(770,089)	(773,889)
Prior period corrections	-	-	-	(695,139)	(695,139)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(695,139)	(695,139)
Balance at 31 March 2014	1,700,000	8,080,000	9,780,000	1,727,221	11,507,221

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash generated from operations	17	1,868,769	2,680,916
Interest income		2,573	6,237
Finance costs		(25,632)	(13,918)
Dividends received		51,008	27,146
Net cash from operating activities		1,896,718	2,700,381
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(30,151)	-
Movement on investments		(3,800)	-
Movement in restricted capital reserve		3,800	(1,935,400)
Net cash from investing activities		(30,151)	(1,935,400)
Cash flows from financing activities			
Repayment of other financial liabilities		(18,252)	(677,585)
Movement in other liabilities		(21,550)	(8,800)
Other non-cash item - prior year error		(695,139)	-
Net cash from financing activities		(727,144)	(686,385)
Total cash movement for the year		1,139,423	78,596
Cash at the beginning of the year		968,443	889,847
Total cash at end of the year	5	2,107,866	968,443

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the basis of accounting as set out in Note 1. to the financial statements, and the constitution. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

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

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

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

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

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

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

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

Item	Average useful life
Land	Indefinite

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Accounting Policies

1.2 Property, plant and equipment (continued)

Buildings	50 years
Furniture and fixtures	3 years
Motor vehicles	3 years
IT equipment	3 years
Computer software	2 years
Bakery equipment	3 years

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

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

1.3 Financial instruments

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

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

1.4 Tax

Current tax assets and liabilities

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

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as income when payment is due.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee

Operating lease payments are recognised as an expense when payment is due.

1.6 Impairment of assets

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

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

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

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Accounting Policies

1.7 Reserves

Restricted Capital Reserve

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

1.8 Employee benefits

Defined contribution plans

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

1.9 Provisions and contingencies

Provisions are recognised when:

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

Contingent assets and contingent liabilities are not recognised.

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

1.11 Revenue

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

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

1.12 Borrowing costs

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

1.13 Investments and reserves

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

1.14 Deferred income - Property, plant and equipment

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

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Accounting Policies

1.15 Deferred income

Deferred income represents unspent funds at balance sheet date.

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Notes to the Annual Financial Statements

Figures in Rand

2014

2013

2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Buildings	6,944,453	(898,810)	6,045,643	6,944,453	(823,920)	6,120,533
Furniture and fixtures	45,052	(45,051)	1	88,104	(87,032)	1,072
Motor vehicles	447,444	(443,279)	4,165	608,947	(577,560)	31,387
IT equipment	493,306	(473,206)	20,100	463,155	(441,977)	21,178
Computer software	66,671	(66,671)	-	66,671	(66,671)	-
Bakery equipment	95,220	(95,220)	-	95,220	(95,220)	-
Total	8,092,146	(2,022,237)	6,069,909	8,266,550	(2,092,380)	6,174,170

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Buildings	6,120,533	-	(74,890)	6,045,643
Furniture and fixtures	1,072	-	(1,071)	1
Motor vehicles	31,387	-	(27,222)	4,165
IT equipment	21,178	30,151	(31,229)	20,100
	6,174,170	30,151	(134,412)	6,069,909

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
Buildings	6,195,422	(74,889)	6,120,533
Furniture and fixtures	13,836	(12,764)	1,072
Motor vehicles	64,210	(32,823)	31,387
IT equipment	51,263	(30,085)	21,178
	6,324,731	(150,561)	6,174,170

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Figures in Rand	2014	2013
2. Property, plant and equipment (continued)		
Details of properties		
Freehold land and buildings consisting of Erf 1764 Grassy park, measuring 1.4893 H, Erf 121318 Retreat, measuring 1.0262 H and Erf 159332 Cape Town, measuring 202 square meters.		
- Land at valuation: 31 December 1963	25,600	25,600
- Additions at cost:	-	-
1991	102,025	102,025
1992	9,376	9,376
1993	10,721	10,721
1994	95,956	95,956
1995	1,856,755	1,856,755
1999	26,553	26,553
2000	12,642	12,642
2002	14,373	14,373
2003	31,662	31,662
2009	3,200,000	3,200,000
2011 - improvements to erf 1764	1,200,852	1,200,852
2011 - improvements to erf 121318	93,179	93,179
2012 - improvements to erf 121318	264,759	264,759
	6,944,453	6,944,453
During the 2010 financial year the Executive Committee Members passed a resolution whereby specifically funded assets are depreciated over their estimated useful lives, the related income is recognised as deferred income and released into the income statement over the estimated useful life of the assets.		
3. Investments		
At fair value		
Business Connexion Group Limited	6,634,800	6,691,800
Business Connexion Group Limited donated 1,140,000 'A' ordinary shares on 5 October 2010. The market value of the shares at 31 March 2014 was R6,634,800 (2013: R6,691,800). The shares cannot be sold for a period of 5 years from 5 October 2010.		
Brimstone Investment Corporation Limited	675,000	700,000
Brimstone Investment Corporation Limited donated 40,000 'N' ordinary shares with a nominal value of 0.001 cents per share on 15 May 2007. The market value at 31 March 2014 was R540,000 (2013: R560,000). The shares cannot be sold for a period of 5 years from 15 May 2007.		
Brimstone Investment Corporation Limited donated 10,000 'N' ordinary shares on 15 January 2010. The market value at 31 March 2014 was R135,000 (2013: R140,000). The fair value adjustment recognised in the statement of comprehensive income amounts to profit (loss): R150,000 (2014: R150,00).		
Life Healthcare Group Holdings Limited	770,200	692,000
As a result of the unbundling of Brimstone Investment Corporation Limited shares, Life Healthcare Group Holdings Limited (Previously Health Strategic Investments Limited) issued 20,000 ordinary shares on 28 August 2010 to the Cape Flats Development Association. The nominal value of the shares is 0.0001 cents per share. The market value at year 31 March 2014 was R770,200 (2013: R692,000)		
	8,080,000	8,083,800
Non-current assets		
At fair value	8,080,000	8,083,800

The fair values of listed or quoted investments are based on the quoted market price at reporting period date.

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Figures in Rand	2014	2013
4. Trade and other receivables		
Trade receivables	123,190	61,314
Prepayments	-	(2,935)
Deposits	11,787	11,787
VAT	31,841	35,616
Staff loans	-	3,335
Accrued income	8,314	-
	175,132	109,117
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,000	2,280
Bank balances	2,095,229	955,089
Short-term deposits	11,637	11,074
	2,107,866	968,443
6. Special capital funds		
Donors		
Community Hall - DG Murray Trust	1,500,000	1,500,000
Independent Development Trust	200,000	200,000
	1,700,000	1,700,000
<p>The amounts shown as special capital funds were advanced in 1993 to CAFDA for the construction of a community centre, called the Mary Atlee Centre, which was transferred to CAFDA during the 2009 financial year, refer note 2. These amounts are equity funding and are not repayable, there are no unfulfilled conditions attached thereto.</p>		
7. Other financial liabilities		
At amortised cost		
City of Cape Town	186,072	216,925
<p>This loan bears interest at a rate of 1% per annum, and is repayable over a period of 30 years. The final instalment is payable in April 2024.</p>		
Non-current liabilities		
At amortised cost	186,072	198,757
Current liabilities		
At fair value	20,398	18,168
	206,470	216,925

8. Deferred income

Deferred income relating to Property, plant and equipment comprises of the following:

- Income received from the National Lotteries Distribution Trust Fund of property, plant and equipment. The income is transferred from the reserve accounts into deferred income, this income is released to the statement of comprehensive income over the useful life of the underlying assets purchased.

Cape Flats Development Association

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Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
8. Deferred income (continued)		
<ul style="list-style-type: none"> Income received from the Ackerman Pick 'n Pay Charitable Foundation Trust that was specifically received for the purchase of bakery equipment. Upon the purchase of the bakery equipment, the income is transferred from the reserve accounts into deferred income. This income is released to the statement of comprehensive income over the useful life of the underlying assets purchased. There are no unfulfilled conditions and other contingencies attaching the deferred income that has been recognised. 		
Income received for capital expenditure		
Use of income received for capital expenditure	-	-
Opening balance	1,693,293	1,627,207
- National Lotteries Distribution Trust Fund	3,014,431	-
- Donor funding	121,883	-
	-	-
Release of deferred income in line with estimated useful life of assets and for project funding		
- National Lotteries Distribution Trust Fund	(505,572)	(79,420)
	4,324,035	1,547,787
Non-current liabilities - Property, plant and equipment and project funding	4,056,645	1,547,787
Current liabilities - Property, plant and equipment and project funding	267,390	145,506
	4,324,035	1,693,293

9. Provisions

Reconciliation of provisions - 2014

	Opening balance	Reversed during the year	Total
Provision for leave pay	138,081	3,865	141,946

Reconciliation of provisions - 2013

	Opening balance	Utilised during the year	Total
Provision for leave pay	211,033	(72,952)	138,081

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

10. Other liability

Funds administered

Funds administered: Pensions	-	21,550
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Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
11. Trade and other payables		
Trade payables	190,683	222,101
Deposits received	10,000	(400)
Other payables	52,552	67,731
	253,235	289,432
12. Revenue		
Deferred income	-	79,420
Donations received	1,291,951	743,390
Fee income	590,854	376,967
Miscellaneous other revenue	32,456	12,626
Rendering of services	-	4,386
Rental Income	75,577	158,214
Sale of goods	1,550,533	1,568,851
	3,541,371	2,943,854
13. Other income		
Funding received	2,499,639	3,639,177
Donation - City of Cape Town	-	643,256
Gains on disposal of assets	52,500	-
	2,552,139	4,282,433
Funding received		
Grants received from the following donors recognised in the income statement:		
- Provincial Administration: Western Cape	2,499,639	3,563,827
- Community Chest of the Western Cape	-	75,350
	2,499,639	3,639,177
14. Investment revenue		
Dividend revenue		
Listed financial assets - Local	51,008	27,146
Interest revenue		
Bank	2,573	6,237
	53,581	33,383
15. Finance costs		
Interest paid	25,632	13,918
16. Taxation		

No provision has been made for 2014 tax as the association has been granted exemption from income tax in terms of Section 30, 18A and 10(1)(cN) of the Income Tax Act.

Cape Flats Development Association

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Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
17. Cash generated from operations		
(Loss) profit before taxation	(770,089)	581,736
Adjustments for:		
Depreciation and amortisation	134,412	150,560
Dividends received	(51,008)	(27,146)
Interest received	(2,573)	(6,237)
Finance costs	25,632	13,918
Impairment reversals	-	(34,572)
Movements in operating lease assets and accruals	-	1,935,400
Movements in provisions	3,865	(72,952)
Changes in working capital:		
Trade and other receivables	(66,015)	8,779
Trade and other payables	(36,197)	65,344
Deferred income	2,630,742	66,086
	1,868,769	2,680,916

18. Related parties

Relationships

Executive committee members (Governing board)

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

Cape Flats Development Association

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Annual Financial Statements for the year ended 31 March 2014

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue			
Deferred income		-	79,420
Donation income		1,291,951	743,390
Fee income		590,854	376,967
Miscellaneous other revenue		32,456	12,626
Rendering of services		-	4,386
Rental income		75,577	158,214
Sale of goods		1,550,533	1,568,851
	12	3,541,371	2,943,854
Other income			
Funding received		2,499,639	3,639,177
Discount - City of Cape Town		-	643,256
Dividends received	14	51,008	27,146
Interest received	14	2,573	6,237
Gains on disposal of assets		52,500	-
		2,605,720	4,315,816
Expenses (Refer to page 22)		(6,891,548)	(6,664,016)
Operating (loss) profit		(744,457)	595,654
Finance costs	15	(25,632)	(13,918)
(Loss) profit for the year		(770,089)	581,736

Cape Flats Development Association

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Annual Financial Statements for the year ended 31 March 2014

Detailed Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Operating expenses			
Accounting fees		100,873	140,000
Administration and management fees		50,473	60,236
Advertising		944	6,322
Auditors remuneration		76,000	92,159
Bad debts		101,101	142,550
Ballet expenses - Dance training		80,549	13,618
Bank charges		52,053	63,192
Cleaning		39,324	40,943
Computer expenses		45,102	34,381
Consulting and professional fees		12,337	27,067
Consumables		48,323	150,715
Depreciation, amortisation and impairments		134,412	115,988
Employee costs		4,183,404	3,830,475
Entertainment		2,030	643
Food supplied		42,644	28,831
Insurance		58,114	59,988
Lease rentals on operating lease		473,714	448,676
Legal expenses		17,802	16,342
Licences and fines		4,571	4,165
Loss due to theft		-	119,972
Municipal expenses		445,734	582,146
Petrol and oil		68,517	71,726
Postage		871	1,689
Printing and stationery		45,786	27,119
Repairs and maintenance		161,910	83,380
SARS fines and penalties		-	6,834
Security		241,616	216,497
Staff welfare		11,994	8,811
Sundry expenses		7,920	4,480
Telephone and fax		131,105	138,829
Training		238,075	120,686
Travel - local		14,251	5,556
		6,891,548	6,664,016