

**EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
(REGISTRATION NUMBER 1999/015928/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
(REGISTRATION NUMBER 1999/015928/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Community, social and personal services
REGISTERED OFFICE	8 Dr. Savage Road Prinshof Pretoria 0084
POSTAL ADDRESS	PO Box 25623 Gezina 0031
BANKERS	Absa Bank Limited Nedbank Limited FNB Bank Limited
AUDITORS	Lindes Audit Inc. Registered Auditors
SECRETARY	Ms. E Meintjes
COMPANY REGISTRATION NUMBER	1999/015928/08
PREPARER	The annual financial statements were internally compiled by: Secundes CC Professional Accountants (SA)

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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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with 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 judgments 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 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.

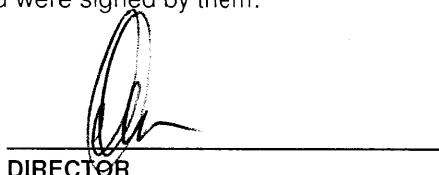
The directors have reviewed the company's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors 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 external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the directors on 21 June 2016 and were signed by them:



DIRECTOR



DIRECTOR

PRETORIA

**TO THE MEMBERS OF EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES
NPC**

We have audited the annual financial statements of Employment Solutions for People with Disabilities NPC, as set out on pages 6 to 14, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Annual Financial Statements

The company's Management are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act, 1973 (No. 71 of 1973), 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 audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Employment Solutions for People with Disabilities NPC, as at 31 March 2016, 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, 1973 (No. 71 of 1973).



Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the Managements' 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.



Niclaas Roets

Lindes Audit Inc.**Chartered Accountant (SA)****Registered Auditor****Villieria****Pretoria**

22 June 2016

**EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
(REGISTRATION NUMBER 1999/015928/08)
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DIRECTORS' REPORT

The directors submit their report for the year ended 31 March 2016.

1. INCORPORATION

The company was incorporated in South Africa on 26 July 1999 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

Net deficit of the company was R 229,670 (2015: deficit R 368,374).

3. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. NON-CURRENT ASSETS

Details of major changes in the nature of the non-current assets of the company during the year were as follows:

Property, plant and equipment amounting to R 5 were disposed of during the year while assets to the value of R 252 779 were purchased during the period under review.

There were no changes in the policy relating to the use of non-current assets.

5. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

6. SECRETARY

The secretary duties are performed by Ms. E Meintjes.

Business address: 8 Dr Savage Road, Pretoria, 0002.

Postal address: PO Box 25623, Gezina, 0031

7. AUDITORS

Lindes Audit Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

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STATEMENT OF FINANCIAL POSITION

	Notes	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	407,920	392,736
CURRENT ASSETS			
Inventories	3	20,972	22,425
Trade and other receivables	4	551,387	487,279
Cash and cash equivalents	5	518,700	320,553
		1,091,059	830,257
TOTAL ASSETS		1,498,979	1,222,993
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		936,602	1,166,272
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	562,377	56,721
TOTAL EQUITY AND LIABILITIES		1,498,979	1,222,993

EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2016 R	2015 R
OPERATING INCOME		2,101,184	2,818,120
Cost of sales		(769,534)	(632,158)
GROSS SURPLUS		1,331,650	2,185,962
Other income		1,941,840	1,073,075
Operating expenses		(3,528,663)	(3,655,775)
OPERATING DEFICIT		(255,173)	(396,738)
Investment revenue	7	25,503	28,364
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(229,670)	(368,374)

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STATEMENT OF CHANGES IN EQUITY

	Accumulated funds R	Total equity R
Balance at 01 April 2014	1,534,646	1,534,646
Total comprehensive deficit for the year	<u>(368,374)</u>	<u>(368,374)</u>
Balance at 01 April 2015	1,166,272	1,166,272
Total comprehensive deficit for the year	<u>(229,670)</u>	<u>(229,670)</u>
Balance at 31 March 2016	<u>936,602</u>	<u>936,602</u>

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STATEMENT OF CASH FLOWS

	Notes	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from (used in) operations	8	340,840	(295,082)
Interest income		25,503	28,364
NET CASH FROM OPERATING ACTIVITIES		366,343	(266,718)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(252,779)	(196,669)
Sale of property, plant and equipment	2	84,583	9,252
NET CASH FROM INVESTING ACTIVITIES		(168,196)	(187,417)
TOTAL CASH MOVEMENT FOR THE YEAR			
Cash at the beginning of the year		320,553	774,688
TOTAL CASH AT END OF THE YEAR	5	518,700	320,553

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ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with 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.

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.

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

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
Plant and machinery	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Other heavy equipment	5 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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 INVENTORIES

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

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ACCOUNTING POLICIES

1.3 OPERATING INCOME

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.

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.

Subsidies and donations are only recognised as income upon the receipt thereof. All other income are recognised on the accrual basis.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2016			2015		
	R	R	R	R	R	R
2. PROPERTY, PLANT AND EQUIPMENT						
	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Plant and machinery	488,747	(344,022)	144,725	488,747	(274,596)	214,151
Furniture and fixtures	10,670	(10,091)	579	10,670	(8,357)	2,313
Motor vehicles	610,588	(546,823)	63,765	863,073	(732,077)	130,996
Office equipment	48,579	(48,576)	3	48,579	(45,097)	3,482
IT equipment	149,529	(115,760)	33,769	116,854	(75,060)	41,794
Other heavy equipment	220,105	(55,026)	165,079	-	-	-
Total	1,528,218	(1,120,298)	407,920	1,527,923	(1,135,187)	392,736

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	214,151	-	-	(69,426)	144,725
Furniture and fixtures	2,313	-	-	(1,734)	579
Motor vehicles	130,996	-	(5)	(67,226)	63,765
Office equipment	3,482	-	-	(3,479)	3
IT equipment	41,794	32,674	-	(40,699)	33,769
Other heavy equipment	-	220,105	-	(55,026)	165,079
	392,736	252,779	(5)	(237,590)	407,920

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	178,624	133,733	-	(98,206)	214,151
Furniture and fixtures	14,969	270	(10,242)	(2,684)	2,313
Motor vehicles	221,462	-	-	(90,466)	130,996
Office equipment	13,201	-	(3)	(9,716)	3,482
IT equipment	17	62,666	-	(20,889)	41,794
	428,273	196,669	(10,245)	(221,961)	392,736

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

3. INVENTORIES

Material	20,972	22,425
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2016	2015
	R	R
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	301,737	393,229
Deposits	24,298	24,298
VAT	15,672	-
Lotto funding receivable	209,680	-
Forum for protective workshops	-	69,752
	551,387	487,279
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	4,943	6,659
Bank balances	513,757	313,894
	518,700	320,553
6. TRADE AND OTHER PAYABLES		
Trade payables	49,202	48,560
VAT	-	8,161
Lotto funds	254,000	-
Momentum funds	154,175	-
DG Murray trust	105,000	-
	562,377	56,721
7. INVESTMENT REVENUE		
Bank	25,503	28,364
8. CASH GENERATED FROM (USED IN) OPERATIONS		
Loss before taxation	(229,670)	(368,374)
ADJUSTMENTS FOR:		
Depreciation and amortisation	237,590	221,963
(Profit) loss on sale of assets	(84,578)	993
Interest received	(25,503)	(28,364)
CHANGES IN WORKING CAPITAL:		
Inventories	1,453	13,270
Trade and other receivables	(64,108)	35,780
Trade and other payables	505,656	(170,350)
	340,840	(295,082)
9. AGENCY PROJECT		
Income of Social Development Project	(500,000)	-
Cost of Social Development Project	501,494	-
	1,494	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

**2016
R**

**2015
R**

10. TAXATION

No provision was been made for 2016 tax as the company is exempt from paying income in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962) .

EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
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DETAILED INCOME STATEMENT

	Notes	2016 R	2015 R
OPERATING INCOME		2,101,184	2,818,120
COST OF SALES			
Opening stock		(22,425)	(35,695)
Purchases		(768,081)	(618,888)
Closing stock		20,972	22,425
		<u>(769,534)</u>	<u>(632,158)</u>
GROSS PROFIT		1,331,650	2,185,962
OTHER INCOME			
Donations		807,182	162,305
Forum income		-	142,418
Gains on disposal of assets		84,578	-
Interest received		25,503	28,364
Lotto funds		270,200	10,000
Subsidies		779,880	758,352
		<u>1,967,343</u>	<u>1,101,439</u>
Expenses (Refer to page 17)		(3,528,663)	(3,655,775)
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		<u>(229,670)</u>	<u>(368,374)</u>

EMPLOYMENT SOLUTIONS FOR PEOPLE WITH DISABILITIES NPC
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DETAILED INCOME STATEMENT

	Notes	2016 R	2015 R
OPERATING EXPENSES			
Accounting and audit fees		73,950	76,724
Advertising		48,024	46,654
Agent project expense	9	1,494	-
Bank charges		18,482	19,028
Cleaning		9,933	17,903
Commission paid		129,825	32,083
Compensation commissioner		5,040	-
Consulting and professional fees		64,737	57,646
Depreciation		237,590	221,963
Electricity and water		131,416	130,518
Employee costs		1,798,892	2,342,840
Feeding scheme		93,976	97,108
Fines and penalties		1,531	-
Insurance		55,677	37,489
Loss on disposal of assets		-	993
Medical expenses		-	8,288
Membership fees		20,396	15,645
Motor vehicle expenses		178,637	191,120
Postage		531	268
Printing and stationery		13,439	10,838
Protective clothing		4,229	11,047
Repairs and maintenance		64,662	60,738
Staff welfare		-	3,903
Stipends paid		447,898	114,764
Subscriptions		60,933	52,632
Telephone and fax		39,997	42,092
Training		27,374	63,491
		<u>3,528,663</u>	<u>3,655,775</u>