MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(REGISTRATION NUMBER 2007/008324/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Medecins Sans Frontieres Southern Africa NPC
(Registration number 2007/008324/08)
Financial Statements for the year ended 31 December 2016

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

LEVEL OF ASSURANCE

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

PREPARER

These financial statements were prepared under the supervision of Zanele Dhludhlu - Finance Director.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards 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 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 December 2017 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 5.

The annual financial statements set out on pages 6 to 31, which have been prepared on the going concern basis, were approved by the board of directors and signed on its behalf by:

Authorised Director	**Authorised Director**
21 April 2017	21 April 2017
Date	Date

RSM South Africa Inc.
2016/324649/21
Executive City
Cross Street & Charmaine Ave
President Ridge, Randburg 2194
PO Box 1734, Randburg 2125
Docex 51, Randburg
T +27 11 329 6000
F +27 11 329 6100
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INDEPENDENT AUDITORS' REPORT

To the Members of Medecins Sans Frontieres Southern Africa NPC

Opinion

We have audited the financial statements of Medecins Sans Frontieres Southern Africa NPC set out on pages 9 to 31, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Medecins Sans Frontieres Southern Africa NPC as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditors' report thereon.
Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM

Other matter

This report replaces our previous report with the same date. The previous report incorrectly referred to the financial reporting framework as the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The applicable financial reporting framework is International Financial Reporting Standards (IFRS) as stated above. The remainder of our report and the financial statements are unchanged.

RSM South Africa Inc.

RSM South Africa Inc.

Lea Magdalena van der Merwe
Chartered Accountant (SA)
Registered Auditor
Director

Date 19 May 2017

DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 31 December 2016.

1. Incorporation

The company was incorporated on 14 March 2007 and obtained its certificate to commence business on the same day.

2. Nature of business

Medecins Sans Frontieres Southern Africa is a humanitarian organisation, which provides emergency medical aid to populations in danger due to epidemics, armed conflicts and other natural and man-made disasters.

The net surplus of the company is R2 265 266 (2015: R1 192 097).

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

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year except for the details in Note 2 - New Standards and Interpretations.

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

4. Authorised and issued share capital

The company is incorporated under section 36 of the Companies Act No. 71 of 2008 and thus has no authorised or issued share capital.

5. Addresses

Postal:	P O Box 61624 Marshalltown Johannesburg GAUTENG 2107
Registered office:	7th Floor 70 Fox Street Marshalltown Johannesburg GAUTENG 2107

6. Directorate

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

Directors	Nationality	Appointed	Resigned
G C Barnwell	South African	31 July 2015	12 May 2016
E M Chidovi	Zimbabwean	19 April 2013	12 May 2016
M T Nicolai	Dutch	14 May 2010	12 May 2016
A M M Shamamba	Zambian	16 May 2015	
M M Maphike	South African	01 July 2015	
M Dalwai	South African	29 September 2014	
P Makurira	Zimbabwean	16 May 2015	
D B Garone	Argentinian	16 May 2015	
S J M Miller	South African	19 April 2013	12 May 2016
D G Sermand	French	29 September 2014	
K E Noko	Zimbabwean	29 September 2014	
K Chu	American	8 June 2016	
S Rens	Belgian	13 June 2016	
W Taderera	Zimbabwean	14 May 2016	
M M Abrahams	South African	01 July 2016	
L Botha	South African	27 June 2016	

7. Directors' interests in contracts

There were no directors' interest in contracts that require disclosure.

8. 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 which would require additional disclosure.

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

10. Auditors

RSM South Africa Inc. has expressed their willingness to continue in office as auditors in accordance with Section 90 of the Companies Act of South Africa.

11. Secretary

The company secretary is K Noko.

Postal and residential address:	868 Medium Density Beitbridge ZIMBABWE 0000

12. Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the previous period, except for the adoption of new or revised standards set out in note 2.

13. Non-current assets

Property, plant and equipment amounting to R289 080 (2015: R214 066) were purchased during the year in order to expand on the operations in South Africa.

14. Prior period error

Quarterly payments are made to MSF Cape Town of earmarked and unearmarked funds. In prior periods, the fourth quarterly payment has not been raised in the year to which it relates. It has been included in the following year's profits. So in any given year, the donations expense related to MSF Cape Town for the prior year's fourth quarter would be included in the total expense of the current year and the current year's fourth quarter expense will be included in the following financial year.

Details of the error can be found in Note 17 of the Notes to the Financial Statements.

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STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note	2016	2015	2014
Assets				
Non-Current Assets				
Property, plant and equipment	3	681 540	763 369	771 938
Current Assets				
Amounts due from associated companies	4	1 647 792	2 554 888	965 287
Trade and other receivables	5	5 683 598	2 817 002	1 279 684
Cash and cash equivalents	6	5 840 668	9 506 497	15 415 859
		13 172 058	**14 878 387**	**17 660 830**
Total Assets		**13 853 598**	**15 641 756**	**18 432 768**
Equity and Liabilities				
Equity				
Accumulated surplus		2 265 266	1 192 097	3 500 202
Liabilities				
Non-Current Liabilities				
Amounts due to associated companies	4	-	-	8 346 469
Other financial liability	7	8 158 703	-	-
Instalment sale liability		-	-	176 383
		8 158 703	**-**	**8 522 852**
Current Liabilities				
Amounts due to associated companies	4	39 994	366 456	204 187
Other financial liability	7	-	9 130 122	-
Trade and other payables	8	1 720 954	850 602	1 429 353
Instalment sale liability		-	-	42 720
Deferred income	9	1 668 681	4 102 479	4 733 454
		3 429 629	**14 449 659**	**6 409 714**
Total Liabilities		**11 588 332**	**14 449 659**	**14 932 566**
Total Equity and Liabilities		**13 853 598**	**15 641 756**	**18 432 768**

STATEMENT OF SURPLUS OR DEFICIT

Figures in Rand	Note	2016	2015
Revenue	10	69 883 679	56 450 338
Other income		3 332 052	3 056 264
Operating expenses		(73 406 909)	(61 403 385)
Operating deficit	11	**(191 178)**	**(1 896 783)**
Investment revenue	12	292 928	372 329
Fair value adjustments		1 803 277	-
Finance costs	13	(831 858)	(783 653)
Surplus/(deficit) before taxation		**1 073 169**	**(2 308 107)**
Taxation	14	-	-
Surplus/(deficit) for the year		**1 073 169**	**(2 308 107)**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2015	**3 500 204**	**3 500 204**
Changes in equity		
Total comprehensive deficit for the year	(2 308 107)	(2 308 107)
Total changes	(2 308 107)	(2 308 107)
Balance at 01 January 2016	**1 192 097**	**1 192 097**
Changes in equity		
Total comprehensive surplus for the year	1 073 169	1 073 169
Total changes	1 073 169	1 073 169
Balance at 31 December 2016	**2 265 266**	**2 265 266**

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STATEMENT OF CASH FLOWS

Figures in Rand	Note	2016	2015
Cash flows from operating activities			
Cash receipts		67 017 083	47 216 721
Cash paid to suppliers and employees		(71 267 394)	(51 663 438)
Cash (used in) generated from operations	15	(4 250 311)	(4 446 717)
Interest income		292 928	372 329
Finance costs		-	-
Net cash from operating activities		**(3 957 383)**	**(4 074 388)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(289 080)	(214 066)
Cash flows from financing activities			
Finance lease payments		-	(219 103)
Movement in amounts due to/ from associated companies		580 634	(1 401 805)
Net cash from financing activities		**580 634**	**(1 620 908)**
Total cash movement for the year		**(3 665 829)**	**(5 909 362)**
Cash at the beginning of the year		9 506 497	15 415 859
Total cash at end of the year	6	**5 840 668**	**9 506 497**

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in the South African Rand.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade and other receivables

The company assesses its Trade receivables, and Loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, 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.

The impairment for Trade receivables, and Loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Property, plant and equipment

Management have made certain assumptions with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment, as discussed further in note 1.2.

Leases

Management have applied judgement to classify all lease agreements that the company is party to as operating lease, as they do not transfer substantially all risks and rewards of ownership to the company. Furthermore, as the operating lease in respect of premises is only for a relatively short period of time, management have made a judgement that it would not be meaningful to classify the lease into separate components for the land and buildings for the current lease, and the lease will be classified in its entirety as an operating lease.

1.2 PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment are recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Day to day expenses incurred on property, plant and equipment are expensed directly in surplus or deficit for the period. Major expenses that meets the recognition criteria is capitalised.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	5 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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 is depreciated separately.

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

1.3 FINANCIAL INSTRUMENTS

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. In the case of financial assets or liabilities not classified at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

1.3 FINANCIAL INSTRUMENTS (continued)

Subsequent measurement

After initial measurement financial assets are recognised as follows:

Loans and receivables are measured at amortised cost less any impairment deficits recognised to reflect irrecoverable amounts.

Financial assets classified as available-for-sale or at fair value through surplus or deficit are measured at fair values. Fair value, for this purpose, is market value if listed, or value arrived at by using appropriate valuation models, if unlisted.

Financial liabilities at fair value through surplus or deficit, including derivatives that are liabilities are measured at fair value.

Other financial liabilities are measured at amortised cost using effective interest rate method.

Surpluses and deficits

A surplus or deficit arising from a change in a financial asset or financial liability is recognised as follows:

Where financial assets and financial liabilities are carried at amortised cost, a surplus or deficit is recognised in surplus or deficit through the amortisation process and when the financial asset or financial liability is derecognised or impaired.

Surplus or deficit on a financial asset or financial liability classified at fair value through surplus or deficit is recognised in surplus or deficit.

Surplus or deficit on an available for sale financial asset is recognised directly in reserves, through the statement of changes in reserves, until the financial asset is derecognised, at which time the cumulative surplus or deficit previously recognised in reserves is recognised in surplus or deficit.

Derecognition of financial instruments

The company derecognises the financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and the associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The company derecognises the financial liability when, and only when, the company's obligations are discharged, cancelled or they expire.

The particular recognition methods adopted are disclosed in the individual policies below:

Amounts due to/(from) associated entities

These include amounts due to and from related parties.

Amounts due from associated entities are classified as loans and receivables.

Amounts due to associated entities are classified as financial liabilities.

1.3 FINANCIAL INSTRUMENTS (continued)

Trade and other receivables

Trade and other receivables are classified as loans and receivables. Impairment is determined on a specific basis, where each asset is individually evaluated for impairment indicators. Write-downs of these assets are expensed in surplus or deficit.

Trade and other payables

Trade payables are classified as financial liabilities at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash. These are initially and subsequently recorded at fair value.

Impairment of financial assets

Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment.

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment deficit directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Other financial liability

Other financial liabilities are classified as financial liabilities at amortised cost.

1.4 LEASES

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 IMPAIRMENT OF ASSETS

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

1.5 IMPAIRMENT OF ASSETS (continued)

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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment deficit.

An impairment deficit of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment deficit is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment deficit is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment deficit does not exceed the carrying amount that would have been determined had no impairment deficit been recognised for the asset in prior periods.

A reversal of an impairment deficit of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment deficit of a revalued asset is treated as a revaluation increase.

1.6 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.7 REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable from donations and grants.

Donations and grants in respect of specific projects are recognised as income over the duration of the project as and when the expenditure is incurred. Donations and grants received which are project specific and are not utilised are deferred until the expenditure is incurred.

Donations that are not donor or specific are recognised as income when they are received.

Interest is recognised in surplus or deficit using the effective interest rate method.

1.8 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in the Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.9 INSTALMENT SALE LIABILITY

Instalment sale liabilities are recognised as liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016	The impact of the amendment is not material.
• Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Amendment to IAS 19: Employee Benefits: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	The impact of the amendment is not material.

2.2 Standards and Interpretations early adopted

The company has chosen not to early adopt any standards and interpretations.

2.3 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2017 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after
• IFRS 9 Financial Instruments	01 January 2018
• IFRS 15 Revenue from Contracts with Customers	01 January 2018
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018
• Amendments to IAS 7: Disclosure initiative	01 January 2017

2.4 Standards and interpretations not yet effective or relevant

All other standards and interpretations that have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2017 or later periods are not relevant to its operations.

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	317 757	(284 007)	33 750	317 757	(270 546)	47 211
Motor vehicles	398 971	(104 927)	294 044	398 971	(78 696)	320 275
Office equipment	25 491	(16 901)	8 590	25 491	(12 993)	12 498
IT equipment	891 434	(623 598)	267 836	752 995	(462 832)	290 163
Computer software	148 261	(70 941)	77 320	62 744	(30 677)	32 067
Leasehold improvements	-	-	-	357 529	(296 374)	61 155
Total	**1 781 914**	**(1 100 374)**	**681 540**	**1 915 487**	**(1 152 118)**	**763 369**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	47 211	-	-	(13 461)	33 750
Motor vehicles	320 275	-	-	(26 231)	294 044
Office equipment	12 498	-	-	(3 908)	8 590
IT equipment	290 163	194 088	(2 886)	(213 529)	267 836
Computer software	32 067	94 992	(2 577)	(47 162)	77 320
Leasehold improvements	61 155	-	(61 155)	-	-
	763 369	**289 080**	**(66 618)**	**(304 291)**	**681 540**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	38 551	25 776	-	(17 116)	47 211
Motor vehicles	319 035	-	-	1 240	320 275
Office equipment	17 484	-	(1 078)	(3 908)	12 498
IT equipment	313 075	147 391	-	(170 303)	290 163
Computer software	11 041	40 899	6 482	(26 355)	32 067
Leasehold improvements	72 752	-	-	(11 597)	61 155
	771 938	**214 066**	**5 404**	**(228 039)**	**763 369**

Figures in Rand	2016	2015
4. AMOUNTS DUE TO/(FROM) ASSOCIATED COMPANIES		
Related companies		
Medecins Sans Frontieres - International Office The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	49 706	-
Medecins Sans Frontieres - Spain - OCBA The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	31 400	7 644
Medecins Sans Frontieres Swaziland - Nhlangano The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	55 728	10 933
Medecins Sans Frontieres Supply The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	6 800	-
Medecins Sans Frontieres Australia The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	-	6 950
Medecins Sans Frontieres Sweden The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	14 417	-
Medecins Sans Frontieres Luxembourg The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	6 550	-
Medecins Sans Frontieres - B- Zimbabwe The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	-	(34 763)
Medecins Sans Frontieres - Belgium The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	(27 672)	(288 285)
Medecins Sans Frontieres - Canada The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	3 400	-
Medecins Sans Frontieres - Geneva-Maputo The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	6 288	-
Medecins Sans Frontieres - OCB-Zimbabwe The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	-	27 000
Medecins Sans Frontieres - USA The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	-	(43 408)
Medecins Sans Frontieres - United Kingdom The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	885	2 220
Medecins Sans Frontieres- CT Co-ordination The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	134 852	233 287
Medecins Sans Frontieres-Belgium The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	400 898	1 456 923
Medecins Sans Frontieres-Brazil The loan is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	98 394	-

Figures in Rand	2016	2015
4. New Standards and Interpretations (continued)		
Medecins Sans Frontieres-Epicentre The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	26 087	10 663
Medecins Sans Frontieres-Paris The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	(12 322)	118 956
Medecins Sans Frontieres-Geneva The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	223 143	243 320
Medecins Sans Frontieres-Malawi The loan is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	4 240	-
Medecins Sans Frontieres-OCA-Amsterdam The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	207	153 229
Medecins Sans Frontieres-Swiss The loan is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	1 780	-
Medecins Sans Frontieres-Switzerland The balance is unsecured, interest free and has no fixed terms of repayment and is denominated in Rands.	583 017	283 763
	1 607 798	**2 188 432**
Current assets	1 647 792	2 554 888
Current liabilities	(39 994)	(366 456)
	1 607 798	**2 188 432**

Credit quality of amounts due from associated companies

No credit quality of amounts due from associated companies is performed. As amounts due from associated companies do not have any terms of repayment, there are no amounts that are past their due date. All amounts due from associated companies were considered recoverable and hence have not been impaired or provided for.

Fair value of amounts due to and from associated companies

There is no material difference between the fair value of amounts due to and from associated companies and their book value.

5. TRADE AND OTHER RECEIVABLES

	2016	2015
Fundraising income receivable	241 796	240 948
Prepayments	225 368	70 281
Deposits	386 720	264 758
Value-added Taxation	1 257 663	528 349
Grants receivable	2 456 562	1 678 513
MSF fieldworker expenses	1 074 096	-
Operational activities	41 393	34 153
	5 683 598	**2 817 002**

Figures in Rand	2016	2015

5. TRADE AND OTHER RECEIVABLES (continued)

Fair value of trade and other receivables

There is no material difference between the fair value of trade and other receivables and their book value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

Fundraising income is all current debtors and were recovered in January.

Grants receivable is all current debtors and were receovered in February.

Trade and other receivables impaired

As of 31 December 2016, no trade and other receivables were impaired and provided for.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2016	2015
Cash on hand	2 943	3 746
Bank balances	5 837 725	9 502 751
	5 840 668	**9 506 497**

There is no material difference between the fair value of cash and cash equivalents and the book value.

7. OTHER FINANCIAL LIABILITY

	2016	2015
At amortised cost		
Medecins Sans Frontieres - Belgium The loan is unsecured, interest free, is repayable by December 2018 and has a book value of R9 961 980. It is accounted for at amortised cost and has been discounted using the applicable prime interest rate to its year end fair value over a two year repayment period.	8 158 703	9 130 122
Non-current liability		
At amortised cost	8 158 703	-
Current liability		
At amortised cost	-	9 130 122
	8 158 703	**9 130 122**

There is no material difference between the fair value of other financial liability and the book value.

Figures in Rand	2016	2015

8. TRADE AND OTHER PAYABLES

Trade payables	536 697	336 136
Other payables	23 854	-
Accrued leave pay	627 169	496 653
Payroll accruals	533 234	17 813
	1 720 954	**850 602**

Fair value of trade and other payables

There is no material difference between the fair value of trade and other payables and their book value.

9. DEFERRED INCOME

Deferred income relates to local fundraising income received and grants received for specific projects, but not yet utilised. As at year end the following earmarked funding had not been transferred to their respective projects.

Fundraising Earmarked Khayelitsha	40 000	-
Fundraising Earmarked Emergency Relief Fund	9 765	13 400
Fundraising Earmarked South Sudan	600	-
Fundraising Earmarked Mediterranean Sea	29 550	113 380
Fundraising Earmarked MSF Cape Town	1 384 903	3 930 085
Fundraising Earmarked Ebola	-	45 614
Fundraising Earmarked Nigeria	203 863	-
	1 668 681	**4 102 479**

10. REVENUE

Grants received	45 393 072	35 099 356
Fundraising income	24 490 607	21 350 982
	69 883 679	**56 450 338**

Fundraising income consists of the following:

Individuals and private institutions	20 613 572	20 039 291
Estee Lauder	2 377 035	-
Reinet foundation	1 000 000	-
Discovery Trust	500 000	500 000
ABAX Corporate Services Limited	-	811 691
	24 490 607	**21 350 982**

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Figures in Rand	2016	2015

11. OPERATING DEFICIT

Operating deficit for the year is stated after accounting for the following:

	2016	2015
Operating lease charges		
Premises		
• Contractual amounts	1 022 483	902 868
Surplus on sale of property, plant and equipment	(64 217)	5 405
Depreciation of property, plant and equipment	304 292	228 039
Employee costs	29 161 056	25 720 359

12. INVESTMENT REVENUE

	2016	2015
Interest revenue		
Bank	292 928	372 329

13. FINANCE COSTS

	2016	2015
Other financial liability - Imputed interest	831 858	783 653

The imputed interest relates to the discounting of the other financial liability using the applicable prime interest rate to its year end value. Over 2 year repayment period.

14. TAXATION

No provision has been made for 2016 taxation as the company is exempt from tax in terms of section 10(1)(cN) of the Income Taxation Act No. 58 of 1962.

15. CASH GENERATED FROM OPERATIONS

	2016	2015
Surplus/(deficit) for the year	1 073 169	(2 308 107)
Adjustments for:		
Depreciation	304 292	228 039
Surplus on disposal of property, plant and equipment	64 217	(5 405)
Interest received	(292 928)	(372 329)
Finance costs	831 858	783 653
Fair value adjustments	(1 803 277)	-
Changes in working capital:		
Trade and other receivables	(2 866 596)	(1 537 318)
Trade and other payables	872 752	(2 800 724)
Deferred income	(2 433 798)	1 565 474
	(4 250 311)	**(4 446 717)**

Figures in Rand	2016	2015

16. COMMITMENTS

Operating leases – as lessee (expense)

	2016	2015
Minimum lease payments due		
- within one year	880 731	246 610
- in second to fifth year inclusive	4 093 540	99 023
- later than five years	387 903	-
	5 362 174	**345 633**

Operating lease payments represent rentals payable by the company for certain of its office properties and office equipment. Leases are negotiated for an average term between three to five years and rentals increase between 10% to 15% per annum.

During the period ended 31 December 2016, R962 586 (2015: R902 868) was recognised as an expense in the Statement of Surplus or Deficit and Other Comprehensive Income.

17. PRIOR PERIOD ERRORS

Quarterly payments are made to MSF Cape Town of earmarked and unearmarked funds. In prior periods, the fourth quarterly payment has not been raised in the year to which it relates. It has been included in the following year's profits. So in any given year, the donations expense related to MSF Cape Town for the prior year's fourth quarter would be included in the total expense of the current year and the current year's fourth quarter expense will be included in the following financial year.

The correction of the error results in adjustments as follows:

	2016	2015
Statement of Financial Position		
Trade and other payables	-	3 930 085
Opening retained earnings	(3 930 085)	(2 196 449)
Profit or Loss		
Donations expense	3 930 085	(3 930 085)

18. RELATED PARTIES

Relationships	
Common directorship	Medecins Sans Frontieres Operational Centres Medecins Sans Frontieres Belgium - CT Co-ordination Office Medecins Sans Frontieres Swiss Medecins Sans Frontieres Luxembourg Medecins Sans Frontieres International - Access Campaign Medecins Sans Frontieres USA Medecins Sans Frontieres Belgium Medecins Sans Frontieres - Spain - OCBA Medecins Sans Frontieres - Malawi Medecins Sans Frontieres OCB - Zimbabwe Medecins Sans Frontieres International Office Medecins Sans Frontieres Australia Medecins Sans Frontieres - Epicentre Medecins Sans Frontieres - Switzerland

Figures in Rand	2016	2015

18. RELATED PARTIES (continued)

Medecins Sans Frontieres Amsterdam - OCA
Medecins Sans Frontieres Canada
Medecins Sans Frontieres Swaziland - Nhlangano
Medecins Sans Frontieres Sweden
Medecins Sans Frontieres OCA - Zimbabwe
Medecins Sans Frontieres Supply
Medecins Sans Frontiers Geneva
Medecins Sans Frontieres UK
Medecins Sans Frontieres Brazil
Medecins Sans Frontieres Geneva - Maputo
Medecins Sans Frontieres Paris

Related party balances

	2016	2015
Loans to/(from) group companies and Receivables		
Medecins Sans Frontieres - Geneva	223 143	243 320
Medecins Sans Frontieres - B- Zimbabwe	-	(34 763)
Medecins Sans Frontieres - Belgium	400 898	1 456 923
Medecins Sans Frontieres - Belgium	(8 158 703)	(9 130 122)
Medecins Sans Frontieres - Belgium	(27 672)	(288 285)
Medecins Sans Frontieres - CT Co-ordination	134 852	233 287
Medecins Sans Frontieres - Epicentre	26 087	10 663
Medecins Sans Frontieres - Paris	(12 322)	118 956
Medecins Sans Frontieres - OCA-Amsterdam	207	153 229
Medecins Sans Frontieres - OCB-Zimbabwe	-	27 000
Medecins Sans Frontieres - OCBA - Spain	31 400	7 644
Medecins Sans Frontieres - Switzerland	583 017	283 763
Medecins Sans Frontieres - United Kingdom	885	2 220
Medecins Sans Frontiers-Brazil	98 395	-
Medecins Sans Frontieres - Swiss	1 780	-
Medecins Sans Frontieres International office	49 706	-
Medecins Sans Frontieres-Swaziland	55 728	10 933
Medecins Sans Frontieres Luxembourg	6 550	-
Medecins Sans Frontieres- Maputo	6 288	-
Medecins Sans Frontieres- Malawi	4 240	-
Medecins Sans Frontieres- Canada	3 400	-
Medecins Sans Frontieres- Sweden	14 417	-
Medecins Sans Frontieres- Supply	6 800	-
Medecins Sans Frontieres - USA	-	(43 408)
Medecins Sans Frontieres - Australia	-	6 950
Trade Payables - Salary Recoveries		
Trade Payable - Salary Recoveries	1 150 345	1 218 563
Medecins Sans Frontieres - International	739 084	569 759
Medecins Sans Frontieres - Cape Town	809 656	509 411
Medecins Sans Frontieres - Geneva	-	683 047
Medecins Sans Frontieres - Brazil	192 352	-
Medecins Sans Frontieres - IO (Access)	355 205	-

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Figures in Rand	2016	2015

18. RELATED PARTIES (continued)

	2016	2015
Trade Receivable/(Payable) - Other expenses		
Medecins Sans Frontieres - Switzerland	(22 874)	-
Medecins Sans Frontieres Belgium	719 698	1 678 513
Medecins Sans Frontieres - Geneva	37 844	-
Medecins Sans Frontieres - Spain	67 289	-
Medecins Sans Frontieres - Amsterdam	249 264	-

Related party transactions

	2016	2015
Grants received from related parties		
Medecins Sans Frontieres Belgium	45 393 072	35 099 356
Expenses- Grants received		
Medecins Sans Frontieres Kayelitsha	-	10 630 157
Donations		
Medecins Sans Frontieres Kayelitsha	20 143 200	16 215 874
Other Income- Registration Fee (International MSF delegates)		
Medecins Sans Frontieres Worldwide	-	36 400
Interest Paid		
Medecins Sans Frontieres Belgium	891 216	783 653

19. DIRECTORS' EMOLUMENTS

Emoluments paid to the directors or any individuals holding a prescribed office during the year are as follows:

Executive

2016

	Emoluments	Pension paid or receivable	Total
G C Barnwell	56 123	5 181	61 304
D G Sermand	275 554	25 242	300 796
D Mohammed	132 206	-	132 206
	463 883	**30 423**	**494 306**

2015

	Emoluments	Pension paid or receivable	Total
D M Berman	1 203 642	63 180	1 266 822
D G Sermand	266 503	-	266 503
	1 470 145	**63 180**	**1 533 325**

No emoluments were received by the non-executive directors.

20. RISK MANAGEMENT

Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Amounts due to associated companies	39 994	-	-
Trade and other payables	1 720 955	-	-
Other financial liability	-	9 961 980	-

At 31 December 2015	Less than 1 year
Amounts due to associated companies	366 456
Trade and other payables	850 505
Other financial liability	9 130 122

At present, the company does expect to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the company expects the operating activity to generate sufficient cash inflows. In addition, the company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

20. RISK MANAGEMENT (continued)

Interest rate risk

The company's interest rate risk mainly concerns financial assets. Assets are floating rate and non-interest bearing. At present, the company does not hold loans and receivables that are long term in nature. The following table analyses the breakdown of assets/liabilities by type of interest rate:

2016	Floating rate interest bearing
Cash and cash equivalents	5 840 668

2015	Floating rate interest bearing
Cash and cash equivalents	9 506 497

Sensitivity analysis

A hypothetical increase/decrease in interest rates by 50 basis points, with all other variables remaining constant, would increase/decrease surplus for the year by R21 026 (2015: R34 223).

A hypothetical increase/decrease in interest rate by 100 basis points, with all other variables remaining constant, would increase/decrease surplus for the year by R42 052 (2015: R68 446).

The analysis has been performed for floating interest rate financial assets. The impact of a change in interest rates on floating interest rate financial assets has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade and other receivables and amounts due from associated companies. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Amounts due from associated companies	1 647 792	2 554 888
Trade and other receivables (Excluding VAT and prepayments)	4 200 567	2 218 372
Cash and cash equivalents	5 840 668	9 506 497

Foreign exchange risk

The company does not have any financial assets or liabilities which are exposed to foreign currency translation risk as they are all South African Rand denominated.

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Figures in Rand	2016	2015

21. COMPARATIVE FIGURES

Certain comparatives have been reclassified.

The effects of the reclassification are as follows:

	2016	2015
Statement of Financial Position		
Trade and other receivables	-	(25 527)
Amounts due from associated companies	-	25 527

22. CATEGORIES OF FINANCIAL INSTRUMENTS

Amounts from associated companies as per note 4, other financial liability as per note 7 and trade and other payables as per note 8 are classified (and subsequently measured) as financial liabilities measured at amortised cost.

Amounts to associated companies as per note 4 and trade and other receivables excluding prepayments and Value-added Taxation as per note 5 and cash and cash equivalents as per note 6 are classified as loans and receivables and subsequently measured at amortised cost.

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DETAILED STATEMENT OF SURPLUS OR DEFICIT

Figures in Rand	Note	2016	2015
Revenue			
Grants received		45 393 072	35 099 356
Fundraising income		24 490 607	21 350 982
	10	**69 883 679**	**56 450 338**
Other income			
Recoveries	28	3 246 641	2 980 781
Sundry income		61 761	45 272
Other income		23 650	24 806
Interest received	12	292 928	372 329
Surplus on disposal of assets		-	5 405
Fair value adjustments		1 803 277	-
		5 428 257	**3 428 593**
Expenses (Refer to page 33)		**(73 406 909)**	**(61 403 386)**
Operating surplus/(deficit)	11	**1 905 027**	**(1 524 455)**
Finance costs	13	(831 858)	(783 653)
Surplus/(deficit) for the year		**1 073 169**	**(2 308 108)**

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DETAILED STATEMENT OF SURPLUS OR DEFICIT

Figures in Rand	Note	2016	2015
Operating expenses			
Auditors' remuneration		(340 870)	(285 900)
Bank charges		(162 218)	(125 103)
Computer expenses		(139 947)	(89 993)
Deficit on exchange differences		(4 410)	(4 510)
Depreciation		(304 292)	(228 039)
Design of media production costs		(2 807 821)	(1 801 505)
Donations		(20 143 200)	(17 949 510)
Employee costs		(29 161 056)	(25 720 359)
Equipment: small items not capitalised		(47 219)	(28 944)
Expenses excluded: Other categories	24	(1 098 476)	(1 417 679)
Face to face material costs		(139 450)	(107 640)
Face to face venue hire		(496 782)	(471 243)
Fines and penalties		-	(51 530)
Lease rentals on operating lease		(1 022 483)	(902 868)
MSF International Contribution		(334 101)	(663 623)
MSF Sections - unclaimed/unpaid		(51 498)	(7 840)
Merchandising costs		(128 221)	(2 693)
Miscellaneous expenses		(778 111)	(92 684)
Motor vehicle expenses		(77 303)	(131 336)
Official representation		(638)	-
Other consulting and professional fees		(3 158 525)	(2 139 908)
Other personnel related costs	25	(1 960 947)	(1 225 703)
Postage		(72 644)	(99 636)
Printing and stationery		(119 262)	(51 196)
Profit and loss on sale of assets and liabilities		(64 217)	-
Promotions and advertising		(3 745 863)	(2 835 928)
Repairs and maintenance		(1 197 754)	(429 635)
Subscriptions		(57 383)	(11 612)
Telephone and fax		(422 498)	(315 461)
Training	26	(428 350)	(543 842)
Travel costs	27	(4 750 016)	(3 571 723)
Water and electricity		(191 354)	(95 743)
		(73 406 909)	**(61 403 386)**

NOTES TO THE DETAILED STATEMENT OF SURPLUS OR DEFICIT

Figures in Rand	Note	2016	2015

24. EXPENSES EXCLUDED-OTHER CATEGORIES

	2016	2015
Expenses excluded-other categories which consists of the following:		
Board meetings	168 741	243 710
General assembly	717 320	762 643
Luncheon vouchers	71 624	42 385
Media conference	116 504	206 728
Other costs	300	-
Expenses other categories	23 987	162 212
	1 098 476	**1 417 678**

25. OTHER OPERATIONAL COSTS

	2016	2015
Personnel related cost consists of the following:		
Staff recruitment costs	31 860	20 080
Other personnel related costs	954 054	782 048
Meetings and workshops	975 033	423 575
	1 960 947	**1 225 703**

26. TRAINING

	2016	2015
Training costs consist of the following:		
Training	428 350	543 842

27. TRAVEL

	2016	2015
Travel cost consist of the following:		
Transport	424 409	411 770
Travel and accomodation	4 258 263	2 886 941
Mileage claims	56 312	82 538
Vaccinations and medicals	2 948	75 559
VISA applications	8 084	114 915
	4 750 016	**3 571 723**

28. Recoveries

	2016	2015
Included in recoveries are salary reimbursements for work performed by staff for other MSF offices		
Salary recoveries	3 246 641	2 980 781