



St John

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**THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF
ST JOHN – ST JOHN STELLA LONDT
(Non-Profit Organisation number: 000-814NPO)
Audited Annual Financial Statements
for the year ended 31 March 2018**

Executive Committee's responsibility and approval of annual financial statements

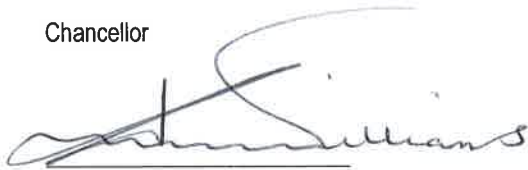
The Executive Committee is responsible for ensuring that the annual financial statements fairly present the financial position, operating results, changes in cash flows and funds of the organization. The financial statements have been compiled by management in terms of their accounting policies described in note 1 of the financial statements and are supported where appropriate by reasonable and prudent judgments and estimates.

The Executive Committee is also responsible for the organization's system of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. Nothing came to the attention of the Executive Committee to indicate that any material breakdown in the functioning of these control procedures and systems has occurred during the period under review.

The financial statements have been prepared on the going concern basis, as the Executive Committee has every reason to believe that the organization has adequate resources in place to continue operating in the foreseeable future.

The annual financial statements set out on pages 5 to 16 were approved by the Executive Committee of The Priory for South Africa of the Order of St John- St John Stella Londt on 14 December 2018, and are signed on its behalf by:

Chancellor



A handwritten signature in cursive script, appearing to read 'S. Williams', written over a horizontal line.

Joint Chief Executive Officer



A handwritten signature in cursive script, appearing to read 'J. ...', written over a horizontal line.

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
(Non-Profit Organisation number: 000-814NPO)
Audited Annual Financial Statements
for the year ended 31 March 2018

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THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
(Non-Profit Organisation number: 000-814NPO)
Audited Annual Financial Statements
for the year ended 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Nature of the business and principal activities	Retirement village
Key executives	Craig Troeberg – Chief Executive Officer (deceased 15 July 2017) Willie Louw – National Director of Training (resigned 31 January 2018) George Woods – Joint Chief Executive Officer (appointed 1 November 2017) Hope Chidawanyika - Joint Chief Executive Officer (appointed 1 November 2017)
Registered offices	19 Woolston Drive Westcliff 2193
Postal address	PO Box 7137 Johannesburg 2000
Registration number	000-814NPO
Preparer of financial statements	George Woods
Auditors	Deloitte & Touche



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN, STELLA LONDT

Opinion

We have audited the financial statements of The Priory for South Africa for The Order of St John, Stella Londt set out on pages 5 to 16, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of The Priory for South Africa for The Order for St John, Stella Londt as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting and accounting policies as described in note 1 to the annual financial statements.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the Priory for South Africa for the Order for St John, Stella Londt to institute accounting controls over cash collections from donations prior to the initial recording of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We record further that due to Stella Londt being a component of The Priory for South Africa of the Order of St John, and not a stand-alone entity, the audit was conducted to a higher materiality than would have been utilised should we have conducted our audit to a stand-alone entity materiality.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation 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 Executive Committee is responsible for the other information. The other information comprises statement of the Executive Committee's responsibility and approval of the annual financial statements. The other information does not include the financial statements and our auditor's 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.

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer
*AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal TP Pillay Consulting *JK Mazzocco Talent & Transformation
MG Dicks Risk Independence & Legal *KL Hodson Corporate Finance *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN, STELLA
LONDT (continued)**

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 Executive Committee for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting and accounting policies described in note 1 to the financial statements, and for such internal control as the Executive Committee determines 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 Executive Committee is responsible for assessing the organisation'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 Executive Committee either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committees.
- Conclude on the appropriateness of the Executive Committee's 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the organisation 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 Executive Committee 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.

**Deloitte & Touche
Registered Auditor**

Per: B Nyembe
Partner
14 December 2018

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Note	2018 R'000	2017 R'000
Revenue			
Accommodation fees		4 883	4 656
Cottage rentals		2 099	1 809
Donations, bequests and projects		6	57
Interest received		644	503
Levies		1 390	1 328
Meals		47	62
Sundry rentals		37	28
Electricity and water recovered		362	369
Nursing services		32	35
Sundry Income		24	77
		9 524	8 924
Expenditure			
Audit fees		(52)	(81)
Domestic expenses		(9 270)	(8 027)
Insurance		(111)	(106)
		(9 433)	(8 214)
Net surplus for the year		91	710

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
 STATEMENT OF FINANCIAL POSITION
 for the year ended 31 March 2018

	Note	2018 R'000	2017 R'000
ASSETS			
Non-current assets			
Property and Equipment	2	29 716	28 604
Current assets			
		10 527	7 870
Inventories	3	15	41
Trade and other receivables	4	1 045	6
Bank balances and cash	9	9 467	7 823
TOTAL ASSETS		40 243	36 474
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated funds		13 330	11 360
Non-current liabilities			
Life fund	5	25 369	24 302
Current liabilities			
Trade and other payables	7	1 544	812
TOTAL FUNDS AND LIABILITIES		40 243	36 474

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
 STATEMENT OF CHANGES IN FUNDS
 for the year ended 31 March 2018

	Note	Total R'000
Balance at 31 March 2016		9 503
Net surplus for the year		710
Surplus on sale of cottages		715
Loans reverted on cessation of life rights		168
Special Projects Fund	6	178
Transfer from cottages endowment fund		86
Balance at 31 March 2017		11 360
Net surplus for the year		91
Revaluation of cottage		1 235
Loans reverted on cessation of life rights		603
Movement on Special Projects Fund	6	311
Transfer to cottage endowment fund		(270)
Balance at 31 March 2018		13 330

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
 STATEMENT OF CASH FLOWS
 for the year ended 31 March 2018

	Note	2018 R'000	2017 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilised)/generated in operations	8	(124)	483
Interest income		644	503
Net cash inflow from operating activities		520	986
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of cottages		(1 401)	
Purchase of property and equipment	2	1 989	(202)
Net cash outflow from investing activities		588	(202)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of endowment		(2 063)	(700)
Loan on cessation of life rights		(220)	
Increase in special projects fund		(311)	
New endowment received		3 130	1 690
Net cash generated from financing activities		536	990
Net increase in cash and cash equivalent		1 644	1 774
Cash and cash equivalents at the beginning of the year		7 823	6 049
Cash and cash equivalent at the end of the year	9	9 467	7 823

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which are consistent with those adopted in the previous financial year.

1.1 Property and equipment

Property comprise land and buildings and endowment cottages. Land is stated at cost. Buildings, occupied for own use, are stated at cost less accumulated depreciation. Depreciation is calculated at a rate of 2% per annum

Endowment cottages are stated at the last selling price upon granting of Life Rights to new occupants and are non-depreciable. The occupant has the right of use of the cottage ("Life Right"). The sale does not result in income as the amounts received represents a loan to Stella Londt in return for the Life Right and is repayable to the occupants when they no longer permanently occupy the cottages. Profit or losses are recognised directly in accumulated profits.

Fixed assets other than property and endowment cottages are stated at cost and are depreciated to a value in the year of acquisition.

The gain or loss arising on the disposal of an item of property and equipment other than the endowment cottage is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.2 Inventories

Inventories comprised stores and supplies, which are valued at the lower of cost and net realisable value determined of the weighted average cost basis. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

1.3 Other income

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying value.

Rental income

Rental income from investments is recognised on an accrual basis.

1.5 Financial instruments

Financial instruments are initially measured at cost. Subsequent to the initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts

Bank balances

Cash is held with reputable banks in current and call accounts and is measured at fair value.

Trade and other payables

Trade and other payables are stated at their nominal value

1.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised when incurred.

1.7 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related services.

The provisions for employee entitlements to salaries and annual leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the reporting date. The provisions have been calculated at undiscounted amounts based on current salary rates.

Retirement benefits

The organisation and its foundations contribute to several defined contribution plans. Contributions to defined contribution funds are charged against income as incurred.

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

2. PROPERTY AND EQUIPMENT	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
2018				
Cost				
Land	1	-	-	1
Building – non-depreciable	24 302	1 234	(166)	25 370
Buildings - depreciable	5 864	166	-	6 030
Other equipment	1 437	589	-	2 026
Vehicles	180	-	-	180
	<u>31 784</u>	<u>1 989</u>	<u>(166)</u>	<u>33 607</u>
	Opening balance	Depreciation	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Accumulated depreciation				
Land	-	-	-	-
Building – non depreciable	-	-	-	-
Buildings - depreciable	(1 564)	(121)	-	(1 685)
Other equipment	(1 437)	(589)	-	(2 026)
Vehicles	(180)	-	-	(180)
	<u>(3 181)</u>	<u>(710)</u>	<u>-</u>	<u>(3 891)</u>
	<u>28 603</u>			<u>29 716</u>

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018

2. PROPERTY AND EQUIPMENT (continued)	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
2017				
Cost				
Land	1	-	-	1
Building – non depreciable	23 643	746	(86)	24 302
Buildings - depreciable	5 778	-	86	5 864
Other equipment	1 235	-	202	1 437
Vehicles	180	-	-	180
	<u>30 837</u>	<u>746</u>	<u>202</u>	<u>31 785</u>
	Opening balance	Revaluations /additions	Disposals/ Transfers	Closing Balance
	R'000	R'000	R'000	R'000
Accumulated depreciation				
Land	-	-	-	-
Building – non depreciable	-	-	-	-
Buildings - depreciable	(1 447)	(117)	-	(1 564)
Other equipment	(1 235)	(202)	-	(1 437)
Vehicles	(180)	-	-	(180)
	<u>(2 862)</u>	<u>(319)</u>	<u>-</u>	<u>(3 181)</u>
	<u>27 976</u>			<u>28 604</u>

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LONDT
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018

2. PROPERTY AND EQUIPMENT (continued)

2.1 Land and Buildings -comprise:

2.1.1 Stella Londt Residence, Frail Care Centre and Bequeathed Cottages

The land with certain buildings thereon was acquired by donations and is vested in the name of The Priory of St John. The land is situated in the Nelson Mandela Metropolitan Municipality and is described as erf 161, Sunridge Park, 4.2514 hectares.

	2018 R'000	2017 R'000
Stella Londt Residence, Frail Care Centre and Bequeathed Cottages at cost:		
Balance brought forward	5 864	5 778
Transfer at cost ex endowed cottages	166	86
	6 030	5 864

2.1.2 Endowed Cottages

The endowed cottages have been erected on the land described in note 2.1.1. In terms of the endowment agreements the occupant has full and free use of the cottage endowed by him/her in her/his life.

Total cost of 28 cottages	874	874
Revaluation on cottages on sale	6 684	5 451
Less:		
Estimated cost of 21 cottages which have now become the property of the foundation in terms of the above agreement	(2 550)	(2 384)
	5 009	3 941
Additional cottages - cost to date	25 434	25 434
Bedsitters - cost to date	2 812	2 812
Disposals - cost to date	(7 886)	(7 886)
Total endowment cottages	25 369	24 302

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LOND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2018 R'000	2017 R'000
3. INVENTORIES		
Finished goods	15	41
	<u>15</u>	<u>41</u>
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	13	3
Other receivables	7	3
Value added tax	50	-
Receivables re sale of life rights	975	-
	<u>1 045</u>	<u>6</u>
	<u>1 045</u>	<u>6</u>
5. LIFE FUND		
Unsecured:		
Amounts owing to occupants	25 369	24 302
	<u>25 369</u>	<u>24 302</u>
	<u>25 369</u>	<u>24 302</u>
<p>The loan bears no interest and is repayable on cessation of the life rights and by intent is of a long term nature.</p>		
6. SPECIAL PROJECTS FUND		
Opening balance	178	69
Transfer from accumulated funds	270	86
Proceeds from fundraising and donations less projects	41	23
	<u>489</u>	<u>178</u>
	<u>489</u>	<u>178</u>
7. TRADE AND OTHER PAYBLES		
Trade payables	1 544	812
	<u>1 544</u>	<u>812</u>
	<u>1 544</u>	<u>812</u>

THE PRIORY FOR SOUTH AFRICA FOR THE ORDER OF ST JOHN – ST JOHN STELLA LOND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

	2018 R'000	2017 R'000
8. RECONCILIATION OF NET DEFICIT FOR THE YEAR TO CASH UTILISED IN OPERATION		
Net surplus for the year	91	710
Adjusted for:		
Depreciation	710	319
Interest received	(644)	(503)
<i>Income before working capital changes</i>	<u>157</u>	<u>527</u>
Increase in inventories	26	(22)
(Increase)/Decrease in trade and other receivables	(1 039)	64
Increase/(Decrease) in trade and other payables	732	(86)
Cash (utilised)/generated in operations	<u>(124)</u>	<u>483</u>
9. CASH AND CASH EQUIVALENTS		
Bank balances and cash	<u>9 467</u>	<u>7 823</u>

Cash and cash equivalents comprise cash on hand and balances with banks

10. TAXATION

No provisions have been made for taxation as the organisation is exempt from income tax and donations tax in terms of Section 10(1)(c) of the Income Tax Act.

11. FINANCIAL RISK MANAGEMENT

Fair value of financial instrument:

The Foundation's non-derivative financial instruments are comprised primarily of balances with banks, trade and other receivables, trade and other payables and loans. The book value of financial instruments approximates fair value.

Credit risk management

The Foundation's financial instruments do not represent a concentration of credit risk as the Foundation's trade receivables are spread amongst a number of different individuals.

As at 31 March 2018, the Foundation did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

12. CAPITAL COMMITMENTS

The Foundation had no capital commitments at year end.

13. SUBSEQUENT EVENTS

There have been no significant events requiring adjustments or disclosure between 31 March 2018 and the date of signing the financial statements.