

Charities Aid Foundation (Southern Africa) NPC
(Registration number 2000/016493/08)
Financial statements
for the year ended 31 March 2021

Charities Aid Foundation (Southern Africa) NPC

(Registration number 2000/016493/08)

Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To support the operations,promote the best interest of charities,non-profit organization within South Africa through the the provision of appropriate financial and administrative servises
Directors	J Pohl Z Suleman KB Mokoena KR Glen JL Donald L Matlala LC Wiid D Dixon GJ Bates
Registered office	Studio 16 Art on Main 264 Fox Street Johannesburg 2094
Postal address	Postnet Suite 37 Private Bag X9 Mellvile Johannesburg 2094
Bankers	Nedbank ABSA
Auditors	Khumalo and Mabuya Chartered Accountants Chartered Accountants (SA) Registered Auditors 10 Muswell Road Silverstream Office Park Bryanston 2191

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Financial Statements for the year ended 31 March 2021

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 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.

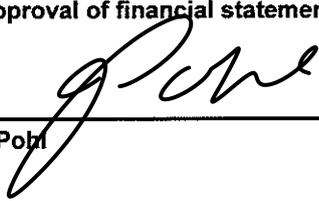
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control 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 March 2022 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.

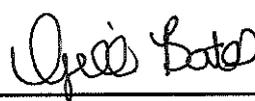
The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 6.

The financial statements set out on pages 7 to 30, which have been prepared on the going concern basis, were approved by the board of directors on 15 December 2021 and were signed on their behalf by:

Approval of financial statements



J Potl



GJ Bates

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Financial Statements for the year ended 31 March 2021

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Charities Aid Foundation (Southern Africa) NPC for the year ended 31 March 2021.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

2. Directorate

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

Directors	Office	Designation	Nationality
J Pohl	Chairperson	Non-executive	RSA
Z Suleman	Chairperson- Grow Co	Non-executive	RSA
KB Mokoena	Chairperson- Gov Co	Non-executive	RSA
KR Glen	Director	Non-executive	RSA
JL Donald	Director	Non-executive	RSA
L Matlala	Director	Non-executive	RSA
LC Wiid	Director	Non-executive	RSA
D Dixon	Director	Non-executive	RSA
GJ Bates	Chief Executive Officer	Executive	RSA

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

3. 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.

4. Going concern

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

5. Auditors

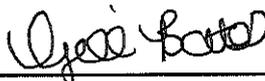
Khumalo and Mabuya Chartered Accountants continued in office as auditors for the company for 2021.

The financial statements set out on pages 7 to 30, which have been prepared on the going concern basis, were approved by the board of directors on 15 December 2021, and were signed on its behalf by:

Approval of financial statements



J Pohl
Chairperson



GJ Bates
Executive



Khumalo & Mabuya
CHARTERED ACCOUNTANTS
Audit | Tax | Advisory | SMME Support

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10 Muswell Road South,
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Charities Aid Foundation (Southern Africa) NPC

Opinion

We have audited the financial statements of Charities Aid Foundation (Southern Africa) NPC set out on pages 7 to 30, which comprise the statement of financial position as at 31 March 2021, and the statement of 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 accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Auditor's 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 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. 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 the 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.

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.

- 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. 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 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 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.



Khumalo and Mabuya Chartered Accountants

Director- Tihalefo Pule
Registered Auditor
Chartered Accountant

15 December 2021

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Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	631 537	684 050
Current Assets			
Trade and other receivables	4	2 444 948	1 791 871
Cash and cash equivalents	5	15 613 405	10 798 556
		18 058 353	12 590 427
Total Assets		18 689 890	13 274 477
Equity and Liabilities			
Equity			
Reserves		3 137 809	3 137 809
Retained income		5 949 117	5 230 505
		9 086 926	8 368 314
Liabilities			
Current Liabilities			
Trade and other payables	7	5 243 418	3 269 266
Deferred income		518 624	84 629
Provisions	6	199 702	175 570
Other liability 1		3 640 144	1 372 380
Bank overdraft	5	1 076	4 318
		9 602 964	4 906 163
Total Equity and Liabilities		18 689 890	13 274 477

* See Note

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Revenue	9	4 460 505	4 496 030
Other operating income	10	-	3 999
Depreciation		(86 609)	(76 580)
Employee Costs		(2 847 011)	(3 480 428)
Other operating expenses		(1 326 476)	(882 118)
Operating profit	12	200 409	60 903
Interest income	15	508 050	529 244
Finance costs	16	(47)	(128)
Profit for the year		708 412	590 019
Other comprehensive income		-	-
Total comprehensive income for the year		708 412	590 019

* See Note

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Statement of Changes in Equity

Figures in Rand	Endowment reserve	Retained income	Total equity
Balance at 01 April 2019	3 137 809	4 640 486	7 778 295
Profit for the year	-	590 019	590 019
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	590 019	590 019
Balance at 01 April 2020	3 137 809	5 240 705	8 378 514
Profit for the year	-	708 412	708 412
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	708 412	708 412
Balance at 31 March 2021	3 137 809	5 949 117	9 086 926

Note(s)

* See Note

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Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Cash receipts from customers		4 460 505	4 354 612
Cash paid to suppliers and employees		(2 798 512)	(1 764 392)
Cash generated from operations	20	1 661 993	2 590 220
Interest income		508 050	529 244
Finance costs		(47)	(128)
Net cash from operating activities		2 169 996	3 119 336
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(11 995)
Cash flows from financing activities			
Movement in trust funds		2 267 764	(885 899)
Total cash movement for the year		4 437 760	2 221 442
Cash at the beginning of the year		10 794 238	8 572 796
Total cash at end of the year	5	15 612 329	10 794 238

* See Note

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is 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.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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
Buildings	Straight line	20
Furniture and fixtures	Straight line	6
Office equipment	Straight line	5
IT equipment	Straight line	3

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. 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 profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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Accounting Policies

1.2 Intangible assets (continued)

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	4

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Accounting Policies

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 4).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 4.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 12).

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 7), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 16).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.4 Hedge accounting

At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The company designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The company excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The company only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

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Accounting Policies

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.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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 loss.

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

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 loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss 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.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.7 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

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Accounting Policies

1.7 Provisions and contingencies (continued)

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.8 Revenue from contracts with customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

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2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	1 101 588	(503 125)	598 463	1 101 588	(447 019)	654 569
Furniture and fixtures	34 272	(29 023)	5 249	166 511	(153 267)	13 244
Office equipment	2 011	(369)	1 642	46 515	(46 514)	1
IT equipment	106 056	(79 873)	26 183	217 566	(201 330)	16 236
Total	1 243 927	(612 390)	631 537	1 532 180	(848 130)	684 050

* See Note

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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Total
Buildings	654 569	598 463
Furniture and fixtures	13 244	5 249
Office equipment	1	1 642
IT equipment	16 236	26 183
	684 050	631 537

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Buildings	710 674	-	(56 105)	654 569
Furniture and fixtures	22 964	-	(9 720)	13 244
Office equipment	1	-	-	1
IT equipment	13 699	14 589	(12 052)	16 236
	747 338	14 589	(77 877)	684 050

3. Intangible assets

	2021		2020			
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	76 724	(76 724)	-	76 724	(76 724)	-

Reconciliation of intangible assets - 2021

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software, other	5 704	(5 704)	-

4. Trade and other receivables

Financial instruments:

Trade receivables	2 436 056	1 661 493
CAF UK	1 263	1 941
Trust Funds	175	134 135

Non-financial instruments:

VAT	8 289	-
Prepayments	(835)	(5 698)
Total trade and other receivables	2 444 948	1 791 871

* See Note

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4. Trade and other receivables (continued)

Split between non-current and current portions

Current assets	2 444 948	1 791 871
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14 695 662	9 984 194
Other cash and cash equivalents	917 743	814 362
Credit card	(1 076)	(4 318)
	15 612 329	10 794 238

Current assets	15 613 405	10 798 556
Current liabilities	(1 076)	(4 318)
	15 612 329	10 794 238

6. Provisions

Reconciliation of provisions - 2021

	Opening balance	Additions	Total
Provision for leave pay	175 570	24 132	199 702

Reconciliation of provisions - 2020

	Opening balance	Additions	Total
Provision for leave pay	170 999	4 571	175 570

7. Trade and other payables

Financial instruments:

Program debtors	4 057 796	2 674 609
Salaries accruals	94 366	95 055

Non-financial instruments:

Amounts received in advance	1 091 256	464 615
VAT	-	34 987

5 243 418	3 269 266
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8. Contract liabilities

9. Revenue

Revenue from contracts with customers

Consultation fees	1 397 203	1 763 163
Grants received	3 063 302	2 732 867

4 460 505	4 496 030
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Notes to the Financial Statements

Figures in Rand	2021	2020
10. Other operating income		
Other income	-	3 999
11. Other operating gains (losses)		
12. Operating profit (loss)		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	74 239	76 781
Remuneration, other than to employees		
Consulting and professional services	565 102	112 538
Employee costs		
Salaries, wages, bonuses and other benefits	1 864 186	2 209 272
Provident fund contribution	344 078	502 541
PAYE	638 747	768 615
Total employee costs	2 847 011	3 480 428
Leases		
Contingent rentals on operating leases		
Operating lease	13 200	11 000
Depreciation and amortisation		
Depreciation of property, plant and equipment	86 609	76 580
Other		
Website development costs	17 084	14 928
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Employee costs	2 847 011	3 480 428
Operating lease charges	13 200	11 000
Depreciation, amortisation and impairment	86 609	76 580
Other expenses	1 313 276	871 118
	4 260 096	4 439 126

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13. Employee costs		
Employee costs		
Basic	1 815 610	2 133 682
Medical aid - company contributions	-	45 324
UIF	15 420	18 771
WCA	6 826	6 924
SDL	2 198	-
Leave pay provision	24 132	4 571
Provident fund contributions	344 078	502 541
PAYE	638 747	768 615
	2 847 011	3 480 428
14. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	86 609	76 580
15. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	508 050	529 244
Investment income on financial instruments which are available for sale or held to maturity are only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning current reporting period, which is the date of adoption of IFRS 9 Financial Instruments. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.		
16. Finance costs		
Interest paid	47	128
17. Derecognition gains (losses) on financial assets at amortised cost		
18. Other non-operating gains (losses)		
19. Taxation		
No provision has been made for 2021 tax as the organization is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act 1962 as amended.		
20. Cash generated from operations		
Profit before taxation	708 412	590 019
Adjustments for:		
Depreciation and amortisation	86 609	76 580
Interest income	(508 050)	(529 244)
Finance costs	47	128
Movements in provisions	24 132	4 571
Changes in working capital:		
Trade and other receivables	(653 077)	141 416
Trade and other payables	1 974 152	2 276 982
Deferred income	29 768	29 768
	1 661 993	2 590 220

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21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	4	2 437 494	2 437 494	2 437 494
Cash and cash equivalents	5	15 613 405	15 613 405	15 613 405
		18 050 899	18 050 899	18 050 899

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	4	1 797 569	1 797 569	1 797 569
Cash and cash equivalents	5	10 798 556	10 798 556	10 798 556
		12 596 125	12 596 125	12 596 125

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21. Financial instruments and risk management (continued)

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	7	4 152 162	4 152 162	-

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	7	2 769 664	2 769 664	-

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21. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	15	508 050	508 050

2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	15	529 244	529 244

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21. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	16	(47)	(47)

2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	16	(128)	(128)

Capital risk management

Trade and other payables	7	5 243 418	3 269 266
Cash and cash equivalents	5	(15 612 329)	(10 794 238)
Net borrowings		(10 368 911)	(7 524 972)
Equity		9 086 926	8 368 314
Gearing ratio		(114)%	(90)%

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21. Financial instruments and risk management (continued)

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

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21. Financial instruments and risk management (continued)

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	4	2 437 494	-	2 437 494	1 797 569	-	1 797 569
Cash and cash equivalents	5	15 613 405	-	15 613 405	10 798 556	-	10 798 556
		18 050 899	-	18 050 899	12 596 125	-	12 596 125

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2021

		Carrying amount
Current liabilities		
Trade and other payables		4 152 162
Bank overdraft	5	<u>1 076</u>

2020

		Carrying amount
Current liabilities		
Trade and other payables	7	2 769 664
Bank overdraft	5	<u>4 318</u>

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

22. Going concern

The 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.

23. Events after the reporting period

There have been no material events subsequent to the end of the reporting period.

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Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
Revenue			
Consultation fees		1 397 203	1 763 163
Grants received		3 063 302	2 732 867
	9	4 460 505	4 496 030
Other operating income			
Other income		-	3 999
Expenses (Refer to page 30)			
		(4 260 096)	(4 439 126)
Operating profit	12	200 409	60 903
Interest income	15	508 050	529 244
Finance costs	16	(47)	(128)
Profit for the year		708 412	590 019

* See Note

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Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
Other operating expenses			
Auditors remuneration - external auditors	12	(74 239)	(76 781)
Bank charges		(12 002)	(16 893)
Consulting and professional fees		(565 102)	(105 038)
Consulting and professional fees - legal fees		-	(7 500)
Depreciation		(86 609)	(76 580)
Employee costs		(2 847 011)	(3 480 428)
Entertainment		-	(12 416)
Conference and exhibition fees		(4 050)	(31 828)
General expenses		(8 750)	(29 392)
Publication costs		(23 000)	-
Insurance		(14 708)	(13 120)
IT expenses		(134 480)	(89 314)
Lease rentals on operating lease		(13 200)	(11 000)
Municipal expenses		(104 788)	(107 969)
Printing and stationery		(8 174)	(10 823)
Promotions		(294 072)	(127 001)
Repairs and maintenance		(4 407)	(3 029)
Research and development costs		(17 084)	(14 928)
Staff welfare		(2 674)	(15 132)
Subscriptions		(183)	(5 538)
Telephone and fax		(45 064)	(54 033)
Travel - local		(499)	(47 865)
Travel - overseas		-	(102 518)
		(4 260 096)	(4 439 126)

* See Note