

KwaCare Non-Profit Company
(Registration number 2000/005376/08)
Financial statements
for the year ended 28 February 2021

These financial statements were prepared by:
CC Steyn
Audit partner
CC Steyn Auditing
Chartered Accountant (S.A.)
Registered Auditor

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 06 September 2021

KwaCare Non-Profit Company

(Registration number 2000/005376/08)

Financial Statements for the year ended 28 February 2021

General Information

Country of incorporation and domicile

South Africa

Directors

J.M. Chimudzi

S. Hemsley

A.R. McMillan

M.W.G. Myeza

T.C. Nkabinde

J.T. van Bommel

Auditor's

CC Steyn Auditing

Chartered Accountants (S.A.)

Registered Auditor

KwaCare Non-Profit Company

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Financial Statements for the year ended 28 February 2021

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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

CC Steyn
Audit partner

Published

06 September 2021

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(Registration number 2000/005376/08)

Financial Statements for the year ended 28 February 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent 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 28 February 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 4.

The financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 06 September 2021 and were signed on its behalf by:

Approval of financial statements


A.R. McMillan


T.C. Nkabinde

Independent Auditor's Report

To the shareholder of KwaCare Non-Profit Company

Opinion

I have audited the Financial Statements of KwaCare Non-Profit Company set out on pages 8 to 15, which comprise the Statement of Financial Position as at 28 February 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 my opinion, the Financial Statements present fairly, in all material respects, the financial position of KwaCare Non-Profit Company as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements set out in Companies Act 71 of 2008.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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. I have fulfilled my 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). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Financial Statements and my auditor's report thereon.

My opinion on the Financial Statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

Independent Auditor's Report

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 Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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

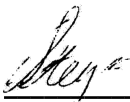
My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

Independent Auditor's Report

I 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 I identify during my audit.



CC Steyn Auditing
CC Steyn
Partner

Registered Auditor

06 September 2021
Hillcrest

KwaCare Non-Profit Company

(Registration number 2000/005376/08)

Financial Statements for the year ended 28 February 2021

Directors' Report

The directors have pleasure in submitting their report on the financial statements of KwaCare Non-Profit Company for the year ended 28 February 2021.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

2. Directors

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

Directors

J.M. Chimudzi

S. Hemsley

A.R. McMillan

M.W.G. Myeza

T.C. Nkabinde

J.T. van Bommel

There have been no changes to the directorate for the period 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. Auditors

CC Steyn Auditing continued in office as auditors for the company for 2021.

At the AGM, the shareholder will be requested to reappoint CC Steyn Auditing as the independent external auditors of the company and to confirm CC Steyn as the designated lead audit partner for the 2022 financial year.

KwaCare Non-Profit Company

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Financial Statements for the year ended 28 February 2021

Statement of Financial Position as at 28 February 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	773	13 825
Current Assets			
Other financial assets	3	-	7 781
Cash and cash equivalents	4	188 486	37 854
		188 486	45 635
Total Assets		189 259	59 460
Equity and Liabilities			
Equity			
Retained income		146 327	48 546
Liabilities			
Current Liabilities			
Trade and other payables	5	(1)	10 914
Provisions	6	42 933	-
		42 932	10 914
Total Equity and Liabilities		189 259	59 460

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Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue			
Donations received		1 072 474	1 587 448
Project expenses		(708 452)	(1 577 509)
Gross profit		364 022	9 939
Other income			
Interest received		-	13 168
Operating expenses			
Accounting fees		(30 982)	(34 776)
Advertising		(12 403)	(14 196)
Bank charges		(13 180)	(17 275)
Cleaning		(2 384)	(10 540)
Computer expenses		(14 759)	(9 296)
Depreciation, amortisation and impairments		(13 052)	(35 928)
Employee costs		(68 021)	(99 206)
Fundraising		-	(4 978)
General expenses		-	(8 375)
Insurance		(30 076)	(23 727)
Lease rentals on operating lease		(66 109)	(65 268)
Medical costs		-	(1 465)
Municipal expenses		-	(20 396)
Printing and stationery		(1 591)	(17 768)
Repairs and maintenance		(219)	(6 105)
Security		(2 056)	(3 282)
Staff welfare		(1 023)	(12 830)
Telephone and fax		(10 386)	(29 829)
Training		-	(336)
Travel - local		-	(1 097)
		(266 241)	(416 673)
Profit (loss) for the year		97 781	(393 566)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		97 781	(393 566)

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Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2019	442 112	442 112
Loss for the year	(393 566)	(393 566)
Other comprehensive income	-	-
Total comprehensive loss for the year	(393 566)	(393 566)
Balance at 01 March 2020	48 546	48 546
Profit for the year	97 781	97 781
Other comprehensive income	-	-
Total comprehensive income for the year	97 781	97 781
Balance at 28 February 2021	146 327	146 327

Note(s)

KwaCare Non-Profit Company

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Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from (used in) operations	7	142 851	(359 893)
Interest income		-	13 168
Net cash from operating activities		142 851	(346 725)
Cash flows from investing activities			
Sale of financial assets		7 781	(834)
Net cash from investing activities		7 781	(834)
Total cash movement for the year		150 632	(347 559)
Cash at the beginning of the year		37 854	385 411
Total cash at end of the year	4	188 486	37 852

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Financial Statements for the year ended 28 February 2021

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

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

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

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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

1.4 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

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Accounting Policies

1.5 Borrowing costs

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

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Notes to the Financial Statements

	2021	2020
	R	R

2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	41 864	(41 486)	378	41 864	(35 517)	6 347
Motor vehicles	234 314	(234 313)	1	234 314	(234 313)	1
Office equipment	74 777	(74 777)	-	74 777	(74 777)	-
IT equipment	75 166	(74 780)	386	75 166	(67 697)	7 469
Computer software	23 668	(23 661)	7	23 668	(23 661)	7
Container	33 000	(32 999)	1	33 000	(32 999)	1
Total	482 789	(482 016)	773	482 789	(468 964)	13 825

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Total
Furniture and fixtures	6 347	(5 969)	378
Motor vehicles	1	-	1
IT equipment	7 469	(7 083)	386
Computer software	7	-	7
Container	1	-	1
	13 825	(13 052)	773

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Total
Furniture and fixtures	13 325	(6 978)	6 347
Motor vehicles	1	-	1
Office equipment	13 350	(13 350)	-
IT equipment	19 094	(11 625)	7 469
Computer software	3 982	(3 975)	7
Container	1	-	1
	49 753	(35 928)	13 825

3. Other financial assets

At amortised cost

His Church Pinetown & New Germany	-	7 781
This loan has been repaid.		

Current assets

At amortised cost	-	7 781
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	222	3 453
Bank balances	188 264	34 401
	188 486	37 854

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Notes to the Financial Statements

	2021 R	2020 R
5. Trade and other payables		
Trade payables	(1)	(3)
Leave pay accrual	-	10 917
	(1)	10 914

6. Provisions

Reconciliation of provisions - 2021

	Opening balance	Additions	Total
KwaEd	-	42 933	42 933

7. Cash generated from (used in) operations

Profit (loss) before taxation	97 781	(393 566)
Adjustments for:		
Depreciation and amortisation	13 052	35 928
Interest received	-	(13 168)
Movements in provisions	42 933	-
Changes in working capital:		
Trade and other payables	(10 915)	10 913
	142 851	(359 893)