

Grace and Dignity (Non-Profit Company)
(Registration number 1998/018381/08)
Financial statements
for the year ended 31 December 2022

Grace and Dignity (Non-Profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Missionary, social and religious upliftment for non-profit
Directors	W.D Bantom J. Holiday S.M Zondi J. Rae
Registered office	4 Kendal Mews 134 Main Road Diep Rivier Cape Town 7800
Auditors	Nolands Inc Chartered Accountants (SA) Registered Auditors
Preparer	The financial statements were compiled by: Lizelle Wessels CA(SA)

Grace and Dignity (Non-Profit Company)

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Financial Statements for the year ended 31 December 2022

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are 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 31 December 2023 and, in light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently 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 - 6.

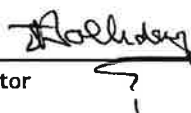
The financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 10 February 2023 and were signed on its behalf by:



Director



Director



Director



Director

Grace and Dignity (Non-Profit Company)

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Financial Statements for the year ended 31 December 2022

Directors' Report

The directors submit their report on the financial statements of Grace and Dignity (Non-Profit Company) for the year ended 31 December 2022.

1. Nature of business

Grace and Dignity (Non-Profit Company) was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

2. 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 of South Africa. 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.

3. Directors

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

Directors
W.D Bantom
J. Holiday
S.M Zondi
J. Rae

J. Rae was appointed in the 2022 financial year.

4. Events after the reporting period

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

5. 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 directors believe that the entity has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis. The directors have satisfied themselves that the entity 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 entity. The directors are also not aware of any new material non-compliance with statutory requirements or of any pending changes to legislation which may affect the entity.

Independent Auditors Report

To the shareholders of Grace and Dignity (Non-Profit Company)

Opinion

We have audited the financial statements of Grace and Dignity (Non-Profit Company) set out on pages 7 to 15, which comprise the statement of financial position as at 31 December 2022, 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 financial statements present fairly, in all material respects, the financial position of Grace and Dignity (Non-Profit Company) as at 31 December 2022, 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 of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 information the Directors' Report as required by the Companies Act of South Africa and the Detailed Income Statement. 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.


Nolands Inc
Registered Auditors
Practice number: 900583e
Per: Allan Mundell CA(SA), RA
Director

10 February 2023
Cape Town

Grace and Dignity (Non-Profit Company)

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Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	225 983	1 046 296
Current Assets			
Trade and other receivables	3	2 355	30 441
Cash and cash equivalents	4	2 149 973	2 071 216
		2 152 328	2 101 657
Total Assets		2 378 311	3 147 953
Equity and Liabilities			
Equity			
Retained income		2 378 311	3 147 953
Total Equity and Liabilities		2 378 311	3 147 953

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	5	3 380 672	6 312 578
Other income		417 447	31 948
Operating expenses		(4 636 229)	(5 554 406)
Operating profit (loss)	6	(838 110)	790 120
Investment revenue	7	68 468	37 183
Profit (loss) for the year		(769 642)	827 303
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(769 642)	827 303

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2021	2 320 650	2 320 650
Profit for the year	827 303	827 303
Other comprehensive income	-	-
Total comprehensive income for the year	827 303	827 303
Balance at 01 January 2022	3 147 953	3 147 953
Loss for the year	(769 642)	(769 642)
Other comprehensive income	-	-
Total comprehensive loss for the year	(769 642)	(769 642)
Balance at 31 December 2022	2 378 311	2 378 311

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash (used in) generated from operations	9	(829 711)	1 162 648
Interest income		68 468	37 183
Net cash from operating activities		(761 243)	1 199 831
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(525 378)
Sale of property, plant and equipment	2	840 000	42 502
Net cash from investing activities		840 000	(482 876)
Total cash movement for the year		78 757	716 955
Cash and cash equivalents at the beginning of the year		2 071 216	1 354 261
Total cash and cash equivalents at end of the year	4	2 149 973	2 071 216

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. 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 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 period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

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 period in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	6 years
Optical equipment	Straight line	6 years
Trailer	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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.

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Accounting Policies

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 Revenue

Revenue from donations is recognised when the receipt is issued and the money is banked.

Interest is recognised, in profit or loss, using the effective interest method.

1.4 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

Figures in Rand 2022 2021

2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	119 535	(78 077)	41 458	119 535	(69 780)	49 755
Motor vehicles	1 116 651	(1 058 878)	57 773	2 019 577	(1 257 396)	762 181
Office equipment	97 279	(86 886)	10 393	97 279	(78 614)	18 665
IT equipment	148 762	(141 729)	7 033	148 762	(131 553)	17 209
Optical equipment	452 036	(348 463)	103 573	452 036	(273 109)	178 927
Trailer	69 032	(63 279)	5 753	69 032	(49 473)	19 559
Total	2 003 295	(1 777 312)	225 983	2 906 221	(1 859 925)	1 046 296

Reconciliation of property, plant and equipment - 2022

	Opening balance	Disposals	Depreciation	Closing balance
Furniture and fixtures	49 755	-	(8 297)	41 458
Motor vehicles	762 181	(422 553)	(281 855)	57 773
Office equipment	18 665	-	(8 272)	10 393
IT equipment	17 209	-	(10 176)	7 033
Optical equipment	178 927	-	(75 354)	103 573
Trailer	19 559	-	(13 806)	5 753
	1 046 296	(422 553)	(397 760)	225 983

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	57 823	-	-	(8 068)	49 755
Motor vehicles	630 276	501 844	(10 553)	(359 386)	762 181
Office equipment	20 313	7 129	-	(8 777)	18 665
IT equipment	16 158	16 405	-	(15 354)	17 209
Optical equipment	301 216	-	-	(122 289)	178 927
Trailer	33 366	-	(1)	(13 806)	19 559
	1 059 152	525 378	(10 554)	(527 680)	1 046 296

3. Trade and other receivables

Value-added taxation	2 355	30 441
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 130	4 159
Bank balances	2 145 843	2 067 057
	2 149 973	2 071 216

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Notes to the Financial Statements

Figures in Rand	2022	2021
5. Revenue		
Donations received	2 316 173	5 950 947
Donations received internationally	1 064 499	361 631
	<u>3 380 672</u>	<u>6 312 578</u>
6. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	81 880	95 617
Profit on disposal of property, plant and equipment	417 447	-
Depreciation on property, plant and equipment	397 758	527 680
Employee costs	3 408 193	3 771 418
7. Investment revenue		
Interest revenue		
Bank	68 468	37 183
8. Taxation		
Major components of the tax expense		
This entity is an NPC and an approved tax exempt institution.		
9. Cash (used in) generated from operations		
Profit (loss) before taxation	(769 642)	827 303
Adjustments for:		
Depreciation and amortisation	397 758	527 680
Profit on sale of assets	(417 447)	(31 948)
Interest received	(68 468)	(37 183)
Changes in working capital:		
Trade and other receivables	28 088	(15 824)
Trade and other payables	-	(107 380)
	<u>(829 711)</u>	<u>1 162 648</u>

10. 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 directors believe that the entity has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis. The directors have satisfied themselves that the entity 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 entity. The directors are also not aware of any new material non-compliance with statutory requirements or of any pending changes to legislation which may affect the entity.

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Notes to the Financial Statements

Figures in Rand

2022

2021

11. Events after the reporting period

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

Grace and Dignity (Non-Profit Company)

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Donations received		2 316 173	5 950 947
Donations received internationally		1 064 499	361 631
	5	<u>3 380 672</u>	<u>6 312 578</u>
Other income			
Gains on disposal of assets		417 447	31 948
Operating expenses			
Accounting fees		10 335	13 821
Bank charges		6 980	8 848
Computer expenses		11 196	16 757
Depreciation, amortisation and impairments		397 758	527 680
Donations		500	-
Employee costs		3 408 193	3 771 418
Fundraising and promotions		4 990	213 444
Insurance		73 428	88 761
Lease rentals on operating lease		81 880	95 617
Medical expenses		92 797	26 685
Motor vehicle expenses		206 434	240 901
Other expenses		55 855	124 883
Outreach program expenses		-	10 000
Patient food and provisions		49 069	31 580
Postage		8 257	9 804
Prescriptions specs		105 890	145 898
Printing and stationery		35 150	48 189
Repairs and maintenance		21 613	29 775
Staff welfare		6 945	7 674
Telephone and fax		30 495	30 686
Travel - local		28 464	111 985
		<u>4 636 229</u>	<u>5 554 406</u>
Operating profit (loss)	6	<u>(838 110)</u>	<u>790 120</u>
Investment income	7	68 468	37 183
Profit (loss) for the year		<u>(769 642)</u>	<u>827 303</u>