

SOS FOR THE AGED (NPC)
(REGISTRATION NUMBER 2017/330505/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

SOS For the Aged (NPC)

(Registration number: 2017/330505/08)

Annual Financial Statements for the year ended March 31, 2021

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Level of assurance

These annual financial statements have not been audited or independently reviewed.

Published

June 23, 2022

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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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 annual 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 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 annual 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 March 31, 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 annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the board of directors on June 23, 2022 and were signed on its behalf by:

Approval of annual financial statements



Shaun Solomon Wingrin

Johannesburg

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Annual Financial Statements for the year ended March 31, 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of SOS For the Aged (NPC) for the year ended March 31, 2021.

1. Nature of business

SOS For the Aged (NPC) was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa. The company started operating on the 25th of July 2017.

2. Review of financial results and activities

The annual 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.

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

3. Directors

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

Directors

Shaun Solomon Wingrin

Sheldon Gordon

Colin Barlin

4. Secretary

The company had no secretary during the year under review.

Practitioner's Compilation Report

To the management of SOS For the Aged (NPC)

I have compiled the annual financial statements of SOS For the Aged (NPC), as set out on pages 5 - 12, based on the information you have provided. These annual financial statements comprise the statement of financial position of SOS For the Aged (NPC) as at March 31, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these annual financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.



David Grawitzky
Director
IAPA Johannesburg
Chartered Accountants (SA)
Registered Auditors

June 23, 2022
Johannesburg

SOS For the Aged (NPC)

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Annual Financial Statements for the year ended March 31, 2021

Statement of Financial Position as at March 31, 2021

Figures in Rand	2021	2020
Assets		
Current Assets		
Trade and other receivables	324	4,399
Cash and cash equivalents	273,703	24,608
	274,027	29,007
Total Assets	274,027	29,007
Equity and Liabilities		
Equity		
Retained income	192,402	(17,807)
Liabilities		
Non-Current Liabilities		
Other financial liabilities	81,625	46,814
Total Equity and Liabilities	274,027	29,007

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Statement of Comprehensive Income

Figures in Rand	2021	2020
Revenue		
Donations	603,147	973,575
Projects income	19,169	120,818
	5	1,094,393
Cost of sales		
Opening stock	-	(22,338)
Purchases	-	22,338
		-
Operating expenses		
Accounting fees	(40,495)	(34,763)
Administration fees	(638)	(588)
Advertising	(175)	(25,648)
Ageing enrichment	(85,424)	(77,431)
Bank charges	(3,421)	(11,320)
Cleaning	-	(2,143)
Computer expenses	(13,205)	(17,383)
Donations	(540)	(430)
Employee costs	(254,493)	(698,886)
Entertainment	-	(2,939)
Indirect fund raising expenses	(12,399)	-
Motor vehicle expenses	-	(609)
Office Space, IT support and Admin Services	-	(200,000)
Packaging	-	(27)
Printing and stationery	(420)	(2,585)
Projects expenses	-	(8,758)
Repairs and maintenance	(203)	(1,138)
Staff welfare	-	(433)
Subscriptions	(540)	(4,593)
Telephone and fax	(2,475)	(1,153)
	(414,428)	(1,090,827)
Operating profit	6	3,566
Investment income	2,323	565
Finance costs	(2)	(138)
	2,321	427
Profit for the year	210,209	3,993
Other comprehensive income	-	-
Total comprehensive income for the year	210,209	3,993

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at April 1, 2019	(21,800)	(21,800)
Profit for the year	3,993	3,993
Other comprehensive income	-	-
Total comprehensive income for the year	3,993	3,993
Balance at April 1, 2020	(17,807)	(17,807)
Profit for the year	210,209	210,209
Other comprehensive income	-	-
Total comprehensive income for the year	210,209	210,209
Balance at March 31, 2021	192,402	192,402

Note(s)

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Statement of Cash Flows

Figures in Rand

2021

2020

Cash flows from operating activities

Cash generated from (used in) operations	211,963	(3,648)
Interest income	2,323	565
Finance costs	(2)	(138)
Net cash from operating activities	214,284	(3,221)

Cash flows from financing activities

Net movement of other financial liabilities	34,811	(71,078)
Net cash from financing activities	34,811	(71,078)

Total cash movement for the year

Cash at the beginning of the year	24,608	98,908
Total cash at end of the year	273,703	24,609

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual 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 71 of 2008. The annual 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.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

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 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.4 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 leave pay 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.

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Accounting Policies

1.5 Revenue

Revenue comprises of donations received and is recognised when the donations are received.

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

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
2. Trade and other receivables		
Trade receivables	324	4,399
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	6,573	5,073
Bank balances	267,130	19,535
	273,703	24,608
4. Other financial liabilities		
At amortised cost		
A 1 Telecoms CC	81,625	46,814
The loan is unsecured, interest free and has no fixed terms of repayment.		
Non-current liabilities		
At amortised cost	81,625	46,814
5. Revenue		
Donations received	603,147	973,575
Projects income	19,169	120,818
	622,316	1,094,393
6. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	-	200,000
Employee costs	254,493	698,886
7. Taxation		

The company has been approved as a Public Benefit Organisation (PBO) in terms of Section 30 of the Income Tax Act (the act) and:

- The receipts and accruals are exempt from income tax in terms of Section 10(1XcN) of the Act;
- Donation by or to the PBO are exempt from donations tax in terms of Section 56(1Xh) of the Act;
- Bequests or accruals from the estate of deceased persons in favour of the PBO are exempt from the payment of estate duty in terms of Section 4(h) of the Estate Duty Act, 45 of 1955;
- In terms of Section 4(1Xf) of the Stamp Duty Act, 1968, any instrument which is executed by or on behalf of the PBO is exempt from stamp duty thereon would be legally payable and borne by the PBO.

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
8. Cash generated from (used in) operations		
Profit before taxation	210,209	3,993
Adjustments for:		
Interest received	(2,323)	(565)
Finance costs	2	138
Changes in working capital:		
Inventories	-	22,338
Trade and other receivables	4,075	7,697
Trade and other payables	-	(37,249)
	211,963	(3,648)

9. Covid-19 impact on financial statements

In recent months, the world has been battling an infectious disease named Covid-19.

The duration and the impact of the Covid-19 pandemic, as well as the effectiveness of government and central banks responses, remain unclear at this time. It is not possible to reliably estimate the duration and the severity of the consequences, as well as their impact on financial position and results of the non-profit company for future periods.

Accordingly, the financial position and the operating results have not been adjusted.

10. Related parties

Relationships

Associate A1 Telecoms CC

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Loan accounts - Owing (to) by related parties

A 1 Telecoms CC	81,625	46,814
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