RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BRANDT STOLTZ & CO.

CHARTERED ACCOUNTANTS (S.A.)

GRAHAMSTOWN

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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BOARD'S RESPONSIBILITY STATEMENT AND APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Raphael Support and Skills Development Organisation set out on pages 3 - 8 are the responsibility of the Board.

The Board is responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records for the safeguarding of assets, and for developing and maintaining a system of internal control that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

The Board believes that despite the financial challenge faced during the previous two years, the Organisation has adequate financial support from various donors. Accordingly, the annual financial statements have been prepared on the going concern basis.

The financial statements were approved by the Board and are signed by:

Anne Lotts
DIRECTOR

28/02/2021
DATE

CHAIRPERSON

03/03/2021
DATE

BRANDT STOLTZ & CO.

Chartered Accountants (S.A.)

Registered Auditors

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P.O. Box 76, Grahamstown, 6140, South Africa

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

Qualified Opinion

We have audited the accompanying annual financial statements of **RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION** (the "Organisation") which comprises the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of the matter described in Basis for qualified opinion paragraph, the accompanying financial statements presents fairly, in all material respects the financial position of Raphael Support and Skills Development Organisation as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1 of the Financial Statements.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the Board to institute accounting controls over cash collections from grants, donations and other receipts of a similar nature prior to the initial entry of the collections in the accounting records. Accordingly it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in South Africa, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other matters -

Restriction of Use

Without modifying our opinion, we draw attention to the fact that the financial statements have been prepared in accordance with the basis of accounting described in note 1 of the Financial Statements for the purposes of providing financial information to the Board. The financial statements and our auditor's report may not be suitable for any other purpose.

Responsibilities of the Board for the Financial Statements

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 1 to the financial statements. This responsibility includes determining that the basis is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

SAICA

Partners: Adrian M. Stoltz CA (SA) RA
Assisted by: Chengetai Chakurungama BCom, CTA,
Ralf S. Botha BCompt, James H. Brandt CA (SA)
IRBA practice number: 902357

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 misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 risks 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organisation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control what we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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A.M. STOLTZ
BRANDT STOLTZ &CO.
Registered Auditors
Grahamstown

Date: 08/03/2021

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(All amounts South African Rands ('R'), unless otherwise indicated)

	NOTE	2020	2019
ASSETS			
Non-current assets		-	-
Current assets		367 667	1 603
Cash and cash equivalents	2.	367 667	1 603
Total assets		367 667	1 603
EQUITY AND LIABILITIES			
Capital and reserves		343 181	(62 553)
Accumulated (deficit)		343 181	(62 553)
Non-current liabilities		-	-
Current liabilities		24 486	64 156
Accrued salaries	4.	24 486	64 156
Total equity and liabilities		367 667	1 603

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts South African Rands ('R'), unless otherwise indicated)

	2020	2019
REVENUE	722 412	438 926
Donations/Grants	719 906	381 730
Interest	2 506	-
Self-generated funds	-	57 196
ORGANISATIONAL AND OPERATIONAL EXPENDITURE	(292 192)	(494 191)
Bank charges and interest	3 031	7 560
Cleaning	-	326
Communications	8 211	15 945
Disaster relief Makana community	420	-
Electricity	-	2 621
Equipment and project resources	6 092	13 508
NPO compliance	14 490	14 490
Nutrition	248	15 135
President Award	-	1 400
Printing, postage and stationery	3 892	5 990
Rent and utilities	28 720	48 800
Repairs and maintenance	3 135	2 360
Retrenchment and consulting	-	2 317
Risk management	2 200	-
Security	-	1 107
Staff appreciation/welfare	-	2 136
Staff salaries	211 017	316 334
Telephone and fax	8 335	39 265
Transport	2 401	4 897
SURPLUS/(DEFICIT) FOR THE PERIOD	430 220	(55 265)

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts South African Rands ('R'), unless otherwise indicated)

	ACCUMULATED SURPLUS/ (DEFICIT)
Balance at 31 December 2018	(7 288)
(Deficit) for the year	(55 265)
Balance at 31 December 2019	(62 553)
Surplus for the year	430 220
Balance at 31 December 2020	367 667

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts South African Rands ('R'), unless otherwise indicated)

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis in terms of International Financial Reporting Standards for Small and Medium-sized Entities. The following are the principal accounting policies of the Organisation:

1.1. REVENUE

Revenue comprises grants and donations from local and foreign based organisations.

Other operating income comprises interest income.

REVENUE RECOGNITION

Revenue and other income are measured at the fair value of the consideration received or receivable.

1.2. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation.

Previously depreciation was calculated on the straight line basis, at rates considered appropriate to reduce the book values to R1 over the useful lives of the assets. The applicable depreciation rates are:

Furniture, Fittings and Equipment	16 2/3% p.a.
Computer Equipment	33 1/3% p.a.

Most of the assets were destroyed during the fire. It was resolved that, to align the accounting policies with other fund reports and the main objective of the organisation, assets will be expensed in full in the year of acquisition, going forward.

1.3. FINANCIAL INSTRUMENTS

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

Cash and cash equivalents
Cash and cash equivalents consist of cash held at a reputable bank in a business cheque account and savings pocket, and petty cash on hand.

RAPHAEL SUPPORT AND SKILLS DEVELOPMENT ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts South African Rands ('R'), unless otherwise indicated)

	2020	2019
2. CASH AND CASH EQUIVALENTS		
FNB Money on Call: 62755070704	283 137	-
FNB Business Cheque Account	72 790	1 544
FNB Savings Pocket	1 260	9
Petty cash	234	46
FNB Money on Call: 62755069921	10 246	4
	367 667	1 603

3. INCOME TAX

Since this is a non-profit organisation it is exempt from income tax in terms of section 10(1)(f) of the Income Tax Act.

4. The organisation was facing financial challenges during the 2019 year; so much that it was struggling to pay its employees. This resulted in staff retrenchment and accrual of staff salaries as disclosed below:

	2020	2019
Accrued retrenchment costs	-	20 273
Accrued salaries	24 486	43 884
	24 486	64 157