

ACT Ubumbano  
(Non-Profit Organisation – Registration No. 249-166 NPO)  
Annual financial statements  
for the year ended 31 December 2022

# ACT Ubumbano

(Registration number: (Non-Profit Organisation – Registration No. 249-166 NPO))  
Annual Financial Statements for the year ended 31 December 2022

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Registered office</b>	3rd Floor, Building 2 Brooklyn Bridge Office Park 570 Ferhsen Street Pretoria South Africa
<b>Bankers</b>	First National Bank Limited
<b>Auditor</b>	C and S Chartered Accountants Incorporated
<b>Members of the Board</b>	Ashley Green-Thompson (ex-officio) Ashmeer Joseph Barbara Kalima-Phiri Duduzile Radebe (Chair) Helga Jansen-Daugbjerg Janet Zhou Jessie Turton Laurel Oettle Roger Domingo Uta Hergenröther (ex-officio)

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The reports and statements set out below comprise the annual financial statements presented to the members of the board:

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# ACT Ubumbano

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## Board Members' Responsibilities and Approval

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The board members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information.

The board members of ACT Ubumbano acknowledge their responsibility to ensure ACT Ubumbano has:

- an accounting environment that results in the preparation of accurate and complete financial reports;
- an internal control environment that safeguards the organisation's resources;
- sufficient resources that will be available to it so that it will remain a "going concern" for the next 12 months.

The board members are also responsible for the organisation's system of internal financial controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the board members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on the going concern basis, since the board members have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

The board members of the organisation confirm that as at 31 December 2022, the assets of the organisation exceeded its liabilities.

The annual financial statements set out on pages 6 to 14, were approved by all board members on 29 June 2023 and have been signed by them or on their behalf by:

### Approval of annual financial statements



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Chair



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Director

# Independent Auditor's Report

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## To the Members of the Board of ACT Ubumbano

### Opinion

We have audited the annual financial statements of ACT Ubumbano set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of ACT Ubumbano as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations (Act No.71 of 1997).

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the non-profit organisation 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 annual 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 members of the board are responsible for the other information. The other information comprises the Board Members' Report as required by the Non-Profit Organisations (Act No.71 of 1997), which we obtained prior to the date of this report. The other information does not include the annual financial statements and the auditor's report thereon.

### Responsibilities of the Members for the Annual Financial Statements

The members of the board are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations (Act No.71 of 1997), and for such internal control as the members of the board determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the members of the board are responsible for assessing the non-profit organisation'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 members of the board either intend to liquidate the non-profit organisation or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Annual Financial Statements

## Independent Auditor's Report

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Our objectives are to obtain reasonable assurance about whether the annual 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with the 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 annual 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 non-profit organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the board.
- Conclude on the appropriateness of the members of the board'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 non-profit organisation'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 annual 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 non-profit organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the board 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.



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**C and S Chartered Accountants Incorporated**  
**Per: DC Saville**  
**Registered Auditor**  
**Director**

**13 July 2023**

**Suite 9**  
**3 Warwick Place**  
**Pinetown**  
**3600**

# **ACT Ubumbano**

(Registration number: (Non-Profit Organisation – Registration No. 249-166 NPO))  
Annual Financial Statements for the year ended 31 December 2022

## **Board Members' Report**

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The members of the board submit their report for the year ended 31 December 2022.

### **1. Review of activities**

#### **Main business and operations**

There were no changes in the nature of the organisation's business during the year under review. The organisation's purpose and main objective is to be a network of Southern African and European non-profit organisations that works for economic, gender and environmental justice in South Africa and its neighbouring countries, and in doing so, develops new forms of action for social justice that contribute to the transformation of structures of injustice and inequality. The organisation was registered with the Department of Social Welfare as a NPO in September 2020 with registration 249-166 NPO. At this point, ACT Ubumbano became a separate juristic person. The NPO registration during the previous year does not impact the legal identity of the organisation.

### **2. Events after the reporting period**

The members of the board are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

### **3. Auditor**

C and S Chartered Accountants Incorporated will continue in office for the next financial period.

# ACT Ubumbano

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Annual 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
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	3 652	21 503
Current Assets			
Receivables and prepayments	3	857 640	973 666
Cash and cash equivalents	4	2 539 396	4 523 239
		<b>3 397 036</b>	<b>5 496 905</b>
<b>Total Assets</b>		<b>3 400 688</b>	<b>5 518 408</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Operating reserves		741 145	468 226
Retained funds		542 472	153 871
		<b>1 283 617</b>	<b>622 097</b>
<b>Liabilities</b>			
Current Liabilities			
Payables	5	830 484	79 843
Deferred income	6	1 286 587	4 816 468
		<b>2 117 071</b>	<b>4 896 311</b>
<b>Total Funds and Liabilities</b>		<b>3 400 688</b>	<b>5 518 408</b>



# ACT Ubumbano

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## Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Funder income	7	11 174 017	5 442 497
Other income		648 526	178 583
<b>Total operating income</b>		<b>11 822 543</b>	<b>5 621 080</b>
<b>Expenses</b>			
Administration		(1 546 846)	(1 223 409)
Personnel		(3 795 483)	(2 349 791)
Programme/activity costs		(5 851 321)	(1 898 986)
<b>Operating surplus</b>		<b>628 893</b>	<b>148 894</b>
Investment revenue		32 627	9 236
<b>Surplus for the year</b>		<b>661 520</b>	<b>158 130</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>661 520</b>	<b>158 130</b>

# ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2022

## Statement of Changes in Funds and Reserves

Figures in Rand	Operating reserve	Retained funds	Total funds and reserves
<b>Balance at 01 January 2021</b>	<b>366 045</b>	<b>97 922</b>	<b>463 967</b>
Surplus for the year	-	158 130	158 130
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>158 130</b>	<b>158 130</b>
Transfer to reserve	102 181	(102 181)	-
<b>Total changes</b>	<b>102 181</b>	<b>(102 181)</b>	<b>-</b>
<b>Balance at 01 January 2022</b>	<b>468 226</b>	<b>153 871</b>	<b>622 097</b>
Surplus for the year	-	661 520	661 520
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>661 520</b>	<b>661 520</b>
Transfer to reserve	272 919	(272 919)	-
<b>Total changes</b>	<b>272 919</b>	<b>(272 919)</b>	<b>-</b>
<b>Balance at 31 December 2022</b>	<b>741 145</b>	<b>542 472</b>	<b>1 283 617</b>

## ACT Ubumbano

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### Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
<b>Cash flows from operating activities</b>			
Cash receipts from donors		11 458 562	8 171 986
Cash paid to suppliers and employees		(13 475 033)	(6 112 750)
Cash (used in) generated from operations	9	(2 016 471)	2 059 236
Interest received		32 627	9 236
<b>Net cash from operating activities</b>		<b>(1 983 844)</b>	<b>2 068 472</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		4 523 239	2 454 767
<b>Total cash at end of the year</b>	4	<b>2 539 396</b>	<b>4 523 239</b>

# ACT Ubumbano

(Registration number: (Non-Profit Organisation – Registration No. 249-166 NPO))  
Annual Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 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. The annual financial statements have been prepared on the historical cost basis, 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 organisation 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of property, plant and equipment. Depreciation is recognised in surplus or deficit.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and 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 organisation.

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

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Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

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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 surplus or deficit 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 surplus or deficit when the item is derecognised.

# ACT Ubumbano

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## Accounting Policies

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### 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 surplus or deficit) 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 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 surplus or deficit.

### 1.3 Income

Income comprises of grants from funders, interest income and other income.

Grants from funders are accounted for in the period in which they are received unless the grant period and/or conditions require that the income is deferred into a future period when it is then matched to the costs of carrying out the related activities. Restricted grants are recognised in the period in which the grant conditions are satisfied.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Other income is recognised in the period that it is received.

# ACT Ubumbano

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## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	87 911	(84 259)	3 652	87 911	(66 408)	21 503

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
IT equipment	21 503	(17 851)	3 652

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
IT equipment	50 807	(29 304)	21 503

### 3. Receivables and prepayments

Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	119 210	-
Faith to Action	53 105	3 796
Other receivables	44 215	41 575
Staff travel advances	2 033	1 073
Sundry debtors	639 077	927 222
	<b>857 640</b>	<b>973 666</b>

Prepayments comprise advances paid to project partners. These advances are used by the project partners, to fund the expenditure they incur in carrying out the relevant project activities. These advances are treated as receivables until the project partners have submitted supporting documents justifying the expenditure.

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

FNB Gold Account	1 796 599	4 053 390
FNB Unrestricted reserves	1 652	1 623
Investec General reserve Account	741 145	468 226
	<b>2 539 396</b>	<b>4 523 239</b>

Funds in the Investec General Reserve account to the value of R741 145 are not available for use in the normal course of operations as they are reserved for use for the Operating Reserves Fund.

### 5. Payables

Sundry creditors	830 484	79 843
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### 6. Deferred income

ACT Alliance	382 516	367 589
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## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>6. Deferred income (continued)</b>		
E3	903 073	2 252 038
Ford Foundation	998	2 196 841
	-	-
	<b>1 286 587</b>	<b>4 816 468</b>

Deferred income for E3 includes deferred income in relation to the three funders, namely: Bread for the World(Germany), ACT Church of Sweden and Christian Aid.

### 7. Funder income

ACT Alliance	287 059	1 825
E3 Project funds	5 897 345	3 654 001
Faith 2 Action	981 100	800 682
Ford Foundation	2 195 843	985 989
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	1 812 670	-
	<b>11 174 017</b>	<b>5 442 497</b>

Funder income for E3 includes income in relation to the three funders, namely: Bread for the World(Germany), ACT Church of Sweden and Christian Aid.

### 8. Taxation

No provision has been made for 2022 tax as Act Ubumbano is a registered Public Benefit Organisation and has been granted exemption in terms of section 10(1)(cN) of the Income Tax Act.

### 9. Cash (used in) generated from operations

Surplus before taxation	661 520	158 130
<b>Adjustments for:</b>		
Depreciation	17 851	29 304
Interest received	(32 627)	(9 236)
<b>Changes in working capital:</b>		
Receivables and prepayments	116 025	(932 089)
Payables	750 641	79 842
Deferred income	(3 529 881)	2 733 285
	<b>(2 016 471)</b>	<b>2 059 236</b>

### 10. Events after the reporting period

No material events after the reporting period occurred up to the date of preparation of these financial statements.