

ACT Ubumbano  
Non-Profit Organisation – Registration No. 249-166 NPO  
PBO Reference No. 930076796)  
Annual financial statements  
for the year ended 31 December 2023

# ACT Ubumbano

(Registration number: Non-Profit Organisation – Registration No. 249-166 NPO

PBO Reference number : 930076796)

Annual Financial Statements for the year ended 31 December 2023

## 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) Janet Zhou Jessie Turton Laurel Oettle Roger Domingo Sofia Svarfvar (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.

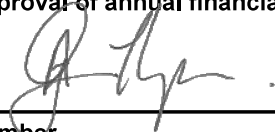
The board members are also responsible for the organisation's system of internal financial controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, 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 2023, the assets of the organisation exceeded its liabilities.

The annual financial statements set out on pages 6 to 15, were approved by all board members on 08 July 2024 and have been signed by them or on their behalf by:

### Approval of annual financial statements



Member



Member

## 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 15, which comprise the statement of financial position as at 31 December 2023, 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 2023, 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.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

# Independent Auditor's Report

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## 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.

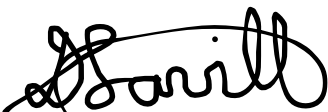
## Auditor's Responsibilities for the Audit of the Annual Financial Statements

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.



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

08 July 2024

Suite 9  
3 Warwick Place  
Pinetown  
3600

# **ACT Ubumbano**

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Annual Financial Statements for the year ended 31 December 2023

## **Board Members' Report**

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The members of the board submit their report for the year ended 31 December 2023.

### **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.

### **2. Going concern**

The members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient funding sources to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the organisation. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the organisation.

### **3. 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.

### **4. Auditor**

C and S Chartered Accountants Incorporated continued in office for 2023.

# ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2023

## Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	31 336	3 652
Current Assets			
Receivables and sundry debtors	3	1 696 881	857 640
Cash and cash equivalents	4	1 231 572	2 539 396
		<b>2 928 453</b>	<b>3 397 036</b>
<b>Total Assets</b>		<b>2 959 789</b>	<b>3 400 688</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Operating reserves		975 117	741 145
Retained funds		445 868	542 472
		<b>1 420 985</b>	<b>1 283 617</b>
<b>Liabilities</b>			
Current Liabilities			
Payables	5	280 671	830 484
Deferred income	6	1 258 133	1 286 587
		<b>1 538 804</b>	<b>2 117 071</b>
<b>Total Funds and Liabilities</b>		<b>2 959 789</b>	<b>3 400 688</b>



## ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2023

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Funder income	7	9 714 337	11 174 017
Other income		40 024	648 526
<b>Total operating income</b>		<b>9 754 361</b>	<b>11 822 543</b>
<b>Expenses</b>			
Administration		(915 188)	(1 546 846)
Personnel		(3 628 558)	(3 795 483)
Programme/activity costs		(5 224 031)	(5 851 321)
<b>Operating surplus / (deficit)</b>		<b>(13 415)</b>	<b>628 893</b>
Investment revenue		72 688	32 627
<b>Surplus for the year</b>		<b>59 273</b>	<b>661 520</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>59 273</b>	<b>661 520</b>

## ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2023

### Statement of Changes in Funds and Reserves

Figures in Rand	Operating reserve	Retained funds	Total funds and reserves
<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 01 January 2023</b>	<b>741 145</b>	<b>542 472</b>	<b>1 283 617</b>
Surplus for the year	-	59 273	59 273
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>59 273</b>	<b>59 273</b>
Transfer to reserve	233 972	(233 972)	-
Prior period adjustment	-	78 095	78 095
<b>Total changes</b>	<b>233 972</b>	<b>(155 877)</b>	<b>78 095</b>
<b>Balance at 31 December 2023</b>	<b>975 117</b>	<b>445 868</b>	<b>1 420 985</b>

## ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2023

### Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash receipts from donors		9 059 384	11 458 562
Cash paid to suppliers and employees		(10 439 896)	(13 475 032)
Cash used in operations	9	(1 380 512)	(2 016 470)
Interest received		72 688	32 627
<b>Net cash from operating activities</b>		<b>(1 307 824)</b>	<b>(1 983 843)</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		2 539 396	4 523 239
<b>Total cash at end of the year</b>	4	<b>1 231 572</b>	<b>2 539 396</b>

# ACT Ubumbano

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Annual Financial Statements for the year ended 31 December 2023

## 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.

#### 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.

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## **Accounting Policies**

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### **1.2 Financial instruments (continued)**

#### **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.

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### Notes to the Annual Financial Statements

Figures in Rand 2023 2022

#### 2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	101 981	(70 645)	31 336	87 911	(84 259)	3 652

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Prior period adjustment	Depreciation	Closing balance
IT equipment	3 652	65 330	(37 646)	31 336

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

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

#### 3. Receivables and sundry debtors

Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	182 210	119 210
CLP tax debt	234 708	-
Trade receivables	410 564	53 105
Other receivables	41 575	44 215
Staff costs receivable	1 745	2 033
Sundry debtors	826 079	639 077
	<b>1 696 881</b>	<b>857 640</b>

Sundry debtors 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	254 726	1 796 599
FNB Unrestricted Reserves	1 729	1 652
Investec General Reserve Account	975 117	741 145
	<b>1 231 572</b>	<b>2 539 396</b>

Funds in the Investec General Reserve account to the value of R 975 117 are not available for use in the normal course of operations as they are reserved for use for the Operating Reserves Fund.

# ACT Ubumbano

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>5. Payables</b>		
Accruals	96 383	-
Sundry creditors	184 288	830 484
	<b>280 671</b>	<b>830 484</b>

### 6. Deferred income

ACT Alliance	277 932	382 516
E3	13 418	903 073
Faith 2 Action	326 265	-
Ford Foundation	640 518	998
	-	-
	<b>1 258 133</b>	<b>1 286 587</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	104 584	287 059
Bread For The World (Germany)	2 088 809	827 949
Christian Aid	542 893	517 977
Act Church Of Sweden	3 276 293	4 551 419
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	63 000	1 812 670
Faith 2 Action Network	2 286 394	981 100
Ford Foundation	1 264 770	2 195 843
Norwegian Church Aid	52 197	-
The Global Network Of Young People Living With HIV ( Y + Global)	16 687	-
We Will Speak Out SA	18 710	-
	<b>9 714 337</b>	<b>11 174 017</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 2023 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 operations

Surplus before taxation	59 273	661 520
Depreciation	37 646	17 851
Interest received	(72 688)	(32 627)
Prior period adjustment to trade payables	12 765	-
<b>Changes in working capital:</b>		
Receivables and sundry debtors	(839 241)	116 026
Payables	(549 813)	750 641
Deferred income	(28 454)	(3 529 881)
	<b>(1 380 512)</b>	<b>(2 016 470)</b>

# ACT Ubumbano

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## Notes to the Annual Financial Statements

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Figures in Rand	2023	2022
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### 10. Prior period errors

Property Plant and Equipment: These pertain to assets that were purchased in 2021 and 2022 which were not capitalised and depreciated accordingly.

Trade and other payables: These pertain to accruals raised in 2021 that were not reversed in the 2022 year.

The correction of the error(s) results in adjustments as follows:

#### Statement of Financial Position

Property, plant and equipment	65 330	-
Trade and other payables	12 765	-
Retained funds	(78 095)	-