

Falaah Foundation NPC
(Registration number 2020/207581/08)
Financial Statements
for the year ended 28 February 2023

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Directors Responsibilities and Approval

The directors are required by the Company's 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 financial statements fairly present the state of affairs of the company as at the end of the financial year ended 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 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 acknowledges that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 12 months ended 29 February 2024 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 pages 5 to 10, which have been prepared on the going concern basis, were approved by the directors on 15 November 2023 and were signed on their behalf by:



W Solomons
Chairman


W McLachlan
Financial director



Compilation Report

To the directors of Falaah Foundation NPC

We have compiled the financial statements of Falaah Foundation NPC set out on pages 5 to 10, based on the information you have provided. These financial statements comprise the statement of financial position of Falaah Foundation NPC as at 28 February 2023, 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.

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

We applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

These 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, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Metis Advisory Services Pty Ltd

Metis Advisory Services Proprietary Limited

Allie Pangarker
Director
Chartered Accountant (SA)

Date: 15 November 2023

Cape Town

Directors: MA Dalvie, A Pangarker

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Directors Report

The directors submit their report on the annual financial statements of Falaah Foundation NPC for the 12 month period ended 28 February 2023.

1. Incorporation

The company was incorporated in accordance with Companies Act 71 of 2008 on 1 May 2020 and obtained its certificate to commence business on the same day. The company however only started trading on 1 April 2021.

2. Nature of business

Falaah Foundation is incorporated in South Africa and is engaged in poverty relief within South Africa, with the current focus on our communities in Cape Town and surrounding areas. The company is registered both as a Public Benefit Organisation with the South African Revenue Services and as a Non-Profit Organisation with registration numbers 930072727 and 261-989 respectively.

3. 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 Company's 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, and do not in our opinion require any further comment.

4. Share capital

The company is registered as a non profit company in terms of the Companies Act and does not have any share capital.

5. Dividends

The company does not have any shareholders as referred to under note 4, therefore no dividends are able to be declared.

6. Directors

Director	Position	Changes
W Solomons	Chairman	Appointed on 1 May 2020

There have been no changes to the directorate for the period.

7. Events after the reporting period

No events after reporting period.

8. Compilation

The annual financial statements are subject to a compilation and have been compiled by Metis Advisory Services Proprietary Limited.

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Statement of Financial Position

	28 February 2023 Notes	28 February 2022 R
ASSETS		
Current assets		
Cash and cash equivalents	2	43 002
TOTAL ASSETS	<hr/> 43 002	<hr/> 64 314
EQUITY		
Retained income	43 002	64 314
TOTAL EQUITY	<hr/> 43 002	<hr/> 64 314
TOTAL EQUITY AND LIABILITIES	<hr/> 43 002	<hr/> 64 314

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Statement of Profit or Loss and Other Comprehensive Income

	Notes	12 months ended 28 Feb 2023	11 months ended 28 Feb 2022
		R	R
Income			
Donations received	3	323 059	207 393
Other operating expenses		-344 371	-143 080
Advertising		- 9 000	- 750
Bank charges		- 508	- 188
Depreciation		- 21 860	- 17 699
Donations - Shelter drive		- -	- 15 000
Donations - Toy drive to orphanages		- -	- 6 763
Festive boxes		- 15 000	- -
Food Parcels (incl Adopt a family)		- 43 623	- -
Fuel and gas		- 10 900	- -
Human Rights Drive (Water Drive)		- 14 800	- -
Ingredients - Cash		- 119 889	- 62 404
Ingredients - Non-Cash		- 80 000	- 27 500
Other expenses		- 2 416	- 2 059
Packaging		- 3 407	- 3 242
Salaries and wages		- 400	- -
Sanitary pad initiative		- 13 500	- 7 475
Youth day initiative		- 9 069	- -
(Loss)/Profit before tax		-21 312	64 314
Taxation		- -	- -
(Loss)/Profit after tax	4	-21 312	64 314
Total comprehensive (loss)/ income		-21 312	64 314

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Statement of Cash Flows

	Notes	28 February 2023 R	28 February 2022 R
Cash flows from operating activities			
Cash generated from operations	5	548	82 013
Interest revenue		-	-
Finance cost		-	-
Tax paid		-	-
Net cash from operating activities		548	82 013
Cash flows from investing activities			
Purchase of fixed asset	1	-	21 860 - 17 699
Net cash from investing activities		-	21 860 - 17 699
Total cash movement for the year		-	21 312 64 314
Cash at the beginning of the year		64 314	-
Total cash at the end of the year	2	43 002	64 314

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Statement of Changes in Equity

	Total attributable to equity holders of the company	Total equity
Profit for the 11 months ended 28 February 2022	64 314	64 314
Other comprehensive income	-	-
Total comprehensive income for the 11 months ended 28 February 2022	64 314	64 314
Dividends	-	-
Balance as 28 February 2022	64 314	64 314
Loss for the year ended 28 February 2023	-	21 312
Other comprehensive income	-	-
Total comprehensive loss for the year ended 28 February 2023	-	21 312
Dividends	-	-
Balance as 28 February 2023	43 002	43 002

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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 Company's Act 71 of 2008. 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 year.

1.1 Property, plant and equipment

The company estimates the expected useful lives of assets and the expected residual value at the end of its useful life in the determination of the depreciation charge. The expected useful lives and residual values are determined by management.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value. Depreciation commences when the asset is available for use and ceases when the asset is derecognised. The depreciation charge for each period is recognised in the statement of profit or loss. The estimated remaining useful lives, residual values and depreciation methods are reviewed at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

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

Item	Depreciation method	Average useful life
Kitchen equipment	Straight-line basis	6 years

Individual assets under R7,500 are considered small assets and written off in the first year of being acquired.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use. Gains or losses which arise on derecognition are included in the statement of profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of the disposal.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs).

Financial instruments at cost

An entity shall recognise a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognised initially, the entity shall measure it at the transaction price. Financial assets and liabilities recognised at cost include receivables, payables and loans, both payable and receivable. Subsequent to recognition financial instruments that are classified as assets or liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received net of impairment.

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 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.4 Revenue

Revenue comprises of donation income received in the form of cash and non-cash. Items considered non-cash are donations received for gas, ingredients and other items received from donors.

1.5 Finance income

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

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Notes to the Annual Financial Statements

28 February 2023 28 February 2022
R R

1. Property, plant and equipment

	28-Feb-23			28-Feb-22		
	Cost	Accumulated depreciated	Carrying value	Cost	Accumulated depreciated	Carrying value
Kitchen equipment	39 559	-	39 559	-	17 699	-

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Impairment	Closing balance
Kitchen equipment	-	21 860	-	-	21 860	-

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment	Closing balance
Kitchen equipment	-	17 699	-	17 699	-	-

2. Cash and cash equivalent

Cash and cash equivalents consists of:

Bank balances	43 002	64 214
	43 002	64 214

3. Donations received

Breakdown of donations received:

Donations received - Adopt a Family	700	-
Donations received- Sanitary Pads	15 743	12 677
Donations received - Human Rights (Water Drive)	16 500	
Donations received - Pot drive	19 916	
Donations received - Zakaah	30 360	
Donations received - Shelter Drive	-	27 414
Donations received - Cycle for Change	10 453	35 585
Donations received - Youth day	4 000	
Donations received - Festive boxes	15 000	
Donations received - Cash (Food)	130 387	96 218
Donations received - Non-Cash (Food)	80 000	35 499
	323 059	207 393

Donations allocation as follows for the current financial year:

	Received		Expense	Reconciliation income vs expenses
Donations received - Adopt a Family	700	Part of food parcels	-	700
Donations received- Sanitary Pads	15 743	Womens day initiative	13 500	2 243
Donations received - Human Rights (Water Drive)	16 500	Human rights initiative	14 800	1 700
Donations received - Pot drive	19 916	Pots purchased	21 860	- 1 944
Donations received - Zakaah	30 360	Food parcels	43 623	- 13 263
Donations received - Cycle for Change	10 453	General allocation	-	10 453
Donations received - Youth day	4 000	Youth day initiative	9 069	- 5 069
Donations received - Festive boxes	15 000	Festive boxes	15 000	-
Donations received - Cash (Food)	130 387	Ingredients and other	137 012	- 6 625
Donations received - Non-Cash (Food)	80 000	Ingredients	80 000	-
	323 059		334 863	- 11 804

The above total of R334,863 does not agree to the total expenses in the statement of financial performance as advertising and bank charges are administrative expenses, thus excluded. Included herein is kitchen equipment purchased during the year which was depreciated in full during the financial year. Refer to note 1 regarding depreciation.

4. Taxation

No tax payable during the year under review as the company is exempt from tax.

5. Cash generated from operations

(Loss)/Profit before tax	-	21 312	64 314
Adjustments for:			
Depreciation	21 860	17 699	
Interest revenue	-	-	
Changes in working capital:			
Trade and other payables	-	-	
	548	82 013	