

**Southern African Faith Communities' Environment Institute NPC**

**Registration no. 2006/014388/08  
053-498 NPO  
(SAFCEI)**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 December 2022**

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
**REGISTRATION NO. 2006/014388/08**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

**General Information**

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**Country of incorporation and domicile** South Africa

**Nature of business and principal activities** SAFCEI is a non-profit organisation, funded by grants and donations from local and international Non Governmental Organisations, local and international congregations, donors and religious organisations, that educates on and promotes through inter-faith dialogue and programmes, the preservation of the environment and ecology of the planet Earth as God's creation.

**Directors** The following directors held office for the year under review:-

<b>Name/ Faith Community represented</b>	<b>Changes</b>
Braam Hanekom (Christian) - Chairperson	
Shaun Cozett (Christian)	
Usha Jevan (Brahma Kumaris)	
Kirtanya Lutchminarayan (Hindu)	
Salie Isaacs (Muslim)	
David Munene (Christian)	
Francesca de Gasparis (Executive Director)	
Queen Vuhlumnai- Munyai (Christian)	Appointed - Nov 2022
Lucinda Ruldoph (Christian)	Appointed - Nov 2022

**Legal form** Non-profit Company (NPC)

**Registration numbers**

Company registration no.	2006/014388/08
NPO registration no.	053-498
Income tax reference no.	9533/727/15/3
PBO reference no.	930024255

**Registered office and business address** The Green Building  
Bell Crescent  
Westlake Office Park  
Westlake  
7945

**Postal address** PO Box 106  
Kalk Bay  
7990

**Bankers** Standard Bank Ltd.

**Preparer** The annual financial statements were internally prepared by N. R. Ndlovu, Finance Manager, at SAFCEI.

**Level of assurance** These annual financial statements have been audited independently. This is a voluntary audit as it is not required in terms of the Companies Act of South Africa. The directors believe, however, that an independent audit is an essential element of assurance to the organisation's funders and other stakeholders.

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
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FOR THE YEAR ENDED 31 DECEMBER 2022

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**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
**REGISTRATION NO. 2006/014388/08**

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are required, by the Companies Act No. 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 external auditors are engaged to express an independent opinion on the annual financial statements.

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 board sets standards for internal control aimed at reducing, 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 operational 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 31 December 2023 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 independent auditor is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent auditors and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the Board of Directors and were signed on its behalf by:

*Abraham Hauekou*

\_\_\_\_\_  
DIRECTOR

*Queen Vhulakani-Munyai*

\_\_\_\_\_  
DIRECTOR

31 May 2023  
DATE

31 May 2023  
DATE



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## Independent Auditor's Report

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### To the Directors of Southern African Faith Communities' Environment Institute NPC

#### Opinion

We have audited the financial statements of Southern African Faith Communities' Environment Institute NPC set out on pages 5 to 18, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southern African Faith Communities' Environment Institute NPC 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.

#### Basis for Opinion

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 company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

#### Emphasis of Matter

We draw attention to note 16 to the financial statements, which describes the prior period adjustment. The prior year financial statements were not reissued and the adjustments were processed in the current financial statements as the adjustment is not material and the adjustment relates to a change in estimate. Our opinion is not modified in respect of this matter.



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## Independent Auditor's Report (continued)

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### Auditor's Responsibility 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the directors' 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 company'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 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 company 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.

Solace and Associates Inc.

*Solace & Associates Inc*

Per: Henry Cronje  
Director  
Chartered Accountant (SA)

31 May 2023

14 Franz Square  
Allenby Estate  
Retreat  
7945

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
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**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report together with the audited financial statements for the company for the financial year ended 31 December 2022.

**1. Principal activities of the company**

SAFCEI is a non-profit organisation, funded by grants and donations from local and international Non Governmental Organisations, local and international congregations, donors and religious organisations, that educates on and promotes through inter-faith dialogue and programmes, the preservation of the environment and ecology of the planet Earth as God's creation.

**2. Financial results**

The financial results of the company for the year are presented in these attached annual financial statements.

**3. Subsequent events**

The directors are not aware of any matter, occurring between the reporting period date and the date of approval of the financial statements, which is material to the financial affairs of the company.

**4. Auditors**

Solace & Associates Inc. have been appointed as the independent auditors, to perform an audit of the organisation's annual financial statements. This is a voluntary audit as it is not required in terms of the Companies Act of South Africa nor is it a requirement of the SAFCEI Memorandum of Incorporation.

**5. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure sufficient funding for the ongoing operations of the company and maintain adequate controls over expenses.

**6. Equipment**

During the year, the company acquired equipment costing R 141 085 (2021 : R 19 999).

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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**Statement of Financial Position as at 31 December 2022**

	Notes	2022 R	2021 R
<b>Assets</b>			
<b>Non Current Assets</b>			
Equipment	2	180 853	115 826
		<b>180 853</b>	<b>115 826</b>
<b>Current Assets</b>			
Accounts receivable	3	57 769	13 548
Cash and cash equivalents	4	5 915 951	3 758 381
		<b>5 973 720</b>	<b>3 771 929</b>
<b>Total Assets</b>		<b>6 154 573</b>	<b>3 887 755</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Accumulated funds		1 004 028	877 312
Equipment fund		180 853	115 825
		<b>1 184 881</b>	<b>993 137</b>
<b>Current Liabilities</b>			
Trade and other payables	5	979 543	699 274
Deferred Income	6	3 844 069	2 005 058
Employee leave accrual	7	146 080	190 286
		<b>4 969 692</b>	<b>2 894 618</b>
<b>Total Funds and Liabilities</b>		<b>6 154 573</b>	<b>3 887 755</b>



**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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**Statement of Comprehensive Income**

	Notes	2022 R	2021 R
<b>Income</b>		<b>9 531 767</b>	<b>10 360 482</b>
Grants and donations	8	9 530 595	10 210 326
Other income	9	1 172	150 156
<b>Expenditure</b>		<b>9 374 980</b>	<b>10 346 143</b>
<b>Operating costs</b>		<b>3 448 645</b>	<b>3 540 700</b>
Assets expensed directly		9 258	3 434
Depreciation and impairments		76 058	105 530
Governance		168 684	426 561
Office running costs		246 332	228 038
Administrative salaries		2 316 458	2 161 646
Premises and equipment costs		406 764	346 294
Professional services		225 091	269 197
<b>Programme costs</b>		<b>5 926 335</b>	<b>6 805 443</b>
Energy Justice		1 846 933	1 239 609
Food and Climate Justice		1 178 863	2 599 206
Supporting Faith Communities		889 420	451 094
Education - Media and Communications		1 037 147	1 121 883
Faith Leader Environmental Advocacy Training (FLEAT)		797 307	923 647
Cage Free Campaign and Animal Justice		176 665	470 004
<b>Operating surplus for the year</b>		<b>156 787</b>	<b>14 338</b>
Unrealised income	10	11 243	9 964
Interest income	11	97 547	93 713
<b>Surplus for the year</b>		<b>265 577</b>	<b>118 015</b>

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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**Statement of Changes in Funds**

	Notes	Equipment Fund R	Accumulated Funds R	Total R
<b>Balance at 1 January 2021</b>		<b>201 356</b>	<b>673 766</b>	<b>875 122</b>
Surplus for the year		-	118 015	118 015
Transfer to equipment fund for additions		19 999	(19 999)	-
Transfer from equipment fund for disposals		(6 401)	6 401	-
Depreciation during the year		(99 129)	99 129	-
<b>Balance at 31 December 2021</b>		<b>115 825</b>	<b>877 312</b>	<b>993 137</b>
Prior year adjustment		-	(73 833)	(73 833)
<b>Balance After Adjustment - 31 December 2021</b>	16	<b>115 825</b>	<b>803 479</b>	<b>919 304</b>
Surplus for the year		-	265 577	265 577
Transfer to equipment fund for additions		141 086	(141 086)	-
Depreciation during the year		(76 058)	76 058	-
<b>Balance at 31 December 2022</b>		<b>180 853</b>	<b>1 004 028</b>	<b>1 184 881</b>

Note 1.13

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

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**Statement of Cash Flows**

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	Notes	2022 R	2021 R
<b>Cash flow from / (used in) operating activities</b>			
Cash utilised by operations	13	2 201 109	947 913
Interest received	11	<u>97 547</u>	<u>93 713</u>
Net cash inflow from operating activities		2 298 656	1 041 626
<b>Cash flow used in investing activities</b>			
Acquisition of equipment		<u>(141 086)</u>	<u>(19 999)</u>
Net cash used in investing activities		(141 086)	(19 999)
<b>Increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		3 758 381	2 736 754
<b>Cash and cash equivalents at the end of the year</b>	4	<u><u>5 915 951</u></u>	<u><u>3 758 381</u></u>

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Accounting policies used in preparation of the financial statements**

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**1.1 Presentation of Annual Financial Statements**

**(a) Basis of preparation**

The annual financial statements of the Southern African Faith Communities' Environment Institute NPC (the "company") have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements are presented in South African Rands.

The preparation of the annual financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1(c).

**(b) Basis of measurement**

The annual financial statements have been prepared on the historical cost convention, except for financial instruments, and incorporate the principal accounting policies set out below.

**(c) Use of estimates and judgement**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Preparation of these statements required no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Receivables**

The company assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus and deficit, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

**Impairment testing**

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as the inflation rate, exchange rates and prevailing interest rates.

**Equipment**

Management has made certain estimates with regards to the determination of estimated useful lives and residual values of furniture, as discussed further in note 1.2.

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**1. Accounting Policies (continued)**

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**1.2 Equipment**

Equipment is tangible items that:

- \* are held for use in the production or supply of goods or service, for rental to others or for administrative purposes; and
- \* are expected to be used during more than one financial year.

The cost of an item of equipment is recognised as an asset when:

- \* it is probable that future economic benefits associated with the item will flow to the company; and
- \* the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of furniture and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of furniture and equipment, the carrying amount of the replaced part is derecognised.

Equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value, over the useful life of the equipment, which is as follows:

<b>Item</b>	<b>Estimated useful life</b>
Computer software	2 years
Computer equipment	3 years
Office equipment	5 years
Office furniture	5 years

The residual value, useful life and depreciation method of each item of equipment are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising from the derecognition of an item of equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**1. Accounting Policies (continued)**

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**1.3 Financial instruments**

Financial instruments carried on the statement of financial position include bank balances, accounts receivable and accounts payable. The particular recognition methods adopted are disclosed in the individual policy notes associated with each item.

**1.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, current bank account balances, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

**1.5 Other receivables**

Other receivables are recognised at the undiscounted amount of cash expected to be received, less any impairment.

**1.6 Trade and other payables**

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method. For current trade payables, this is the undiscounted cash expectation to be paid.

**1.7 Grant and donation Income**

Income from grants is brought to account in the financial period to which it relates and utilised. Donations are recognised when received.

**1.8 Interest income**

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

**1.9 Expenditure**

Expenditure is accounted for on the accrual basis of accounting.

**1.10 Project accounting and expense allocation**

In terms of its contractual obligations to funders, the company's policy is to allocate project expenses that are clearly identifiable to a project directly against the relevant project funds. Indirect and shared costs are apportioned to projects on the basis of management estimates.

Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs as described above. The unexpended amount of the relevant project fund is deferred to the following year or the deficit is accrued in the year under review.

**1.11 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership in the period in which they are incurred. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This asset is not discounted.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**1. Accounting Policies (continued)**

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**1.12 Impairment of assets**

The company assesses at each reporting period date whether there is any indication that assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the assets (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

**1.13 Equipment fund**

An equipment fund is maintained to separate from accumulated funds the funding of non-current assets, which are not available for the short term funding of operations.

The fund is maintained at a value equal to the carrying value of equipment in the statement of financial position. Depreciation and profits or losses on disposal are charged against operating income each year and adjusted against the fund.

**1.14 Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave 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.

**1.15 Provisions and contingencies**

Provisions are recognised when:

- \* the company has an obligation at the reporting period 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.

Provisions are measured at the present value of the amount required to settle the obligation.

**1.16 Other income**

Earned income is accounted for as and when due to the organisation.

**1.17 Members' guarantee**

In terms of the Memorandum of Incorporation, members guarantee to each contribute R1 in the event of the company being wound up. At the statement of financial position date, the guarantee value amounts to R7.

**1. Accounting Policies (continued)**

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**1.18. Financial risk management**

Financial risk factors

The company's activities could expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the directors, who evaluate financial risks.

(a) *Market risk*

The company is exposed to currency risk to the extent that some funds are held in foreign currency while some grants are denominated in foreign currency. The company however does not operate internationally and therefore its exposure to any foreign exchange risk is limited. The company is not exposed to equity securities price risk, because it does not hold such investments.

(b) *Credit risk*

The company's credit risk is attributable to accounts receivable, accrued income and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The company has no significant credit risk arising from its receivables or accrued income in the current year.

(c) *Liquidity risk*

Using cash flow forecasting, management maintains adequate levels of cash to fund ongoing obligations.

(d) *Cash flow and fair value interest rate risk*

The company has minimal exposure to interest rate risk as surplus funds are invested in local interest-bearing accounts.



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Notes to the Financial Statements (continued)**

2. Equipment	2022			2021		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
	R	R	R	R	R	R
Computer equipment	628 576	474 065	154 511	506 543	407 324	99 219
Computer software	21 998	21 998	-	21 998	21 998	-
Office equipment	60 173	43 782	16 391	47 001	37 795	9 206
Office furniture	37 440	27 489	9 951	31 559	24 158	7 401
<b>Total</b>	<b>748 187</b>	<b>567 334</b>	<b>180 853</b>	<b>607 101</b>	<b>491 275</b>	<b>115 826</b>

**Reconciliation of equipment - 2022**

	Opening carrying value	Additions	Impairment	Depreciation	Closing carrying value
Computer equipment	99 219	122 033	-	66 741	154 511
Office equipment	9 206	13 172	-	5 987	16 391
Office furniture	7 401	5 881	-	3 330	9 951
	<b>115 826</b>	<b>141 086</b>	<b>-</b>	<b>76 058</b>	<b>180 853</b>

**Reconciliation of equipment - 2021**

	Opening carrying value	Additions	Impairment	Depreciation	Closing carrying value
Computer equipment	176 417	19 999	6 401	90 796	99 219
Office equipment	14 329	-	-	5 123	9 206
Office furniture	10 612	-	-	3 211	7 401
	<b>201 358</b>	<b>19 999</b>	<b>6 401</b>	<b>99 130</b>	<b>115 826</b>

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**Notes to the Financial Statements (continued)**

	2022 R	2021 R
<b>3. Accounts receivable</b>		
Deposits paid	12 548	12 548
Sundry receivables	45 221	1 000
	<u>57 769</u>	<u>13 548</u>
<b>4. Cash and cash equivalents</b>		
Cash on hand	4 423	1 014
Investment accounts	2 524 264	3 145 662
Other savings account	3 230 711	467 490
Foreign currency - USD <sup>#</sup>	156 553	144 215
	<u>5 915 951</u>	<u>3 758 381</u>
	<sup>#</sup> This was converted at USD:ZAR SARB spot rate, 31 December 2022	
<b>5. Accounts payable</b>		
SARS and other payables	23 060	90 459
Accruals	899 663	538 065
Audit fee provision	56 820	70 750
	<u>979 543</u>	<u>699 274</u>
<b>6. Deferred income</b>		
Open Society Foundation	2 000 000	229 223
Swedish Society for Nature Conservation (SSNC)	37 628	10 858
European Union (Social Change Assistance Trust)	431 459	355 757
Ford Foundation	903 465	900 535
Hans Hoheisen Charitable Trust	349 919	226 130
Animal Charity Evaluators	86 238	216 312
The Humane League	35 360	66 243
	<u>3 844 069</u>	<u>2 005 058</u>
<b>7. Employee leave accrual</b>		
Leave pay provision	146 080	190 286
	<u>146 080</u>	<u>190 286</u>
Reconciliation for the period		
Carrying amount as at 1 January	190 286	139 956
- Additions during the year	146 080	190 286
- Unused amounts reversed	(190 286)	(139 956)
Carrying amount as at 31 December	<u>146 080</u>	<u>190 286</u>

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**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**Notes to the Financial Statements (continued)**

	2022 R	2021 R															
<b>8. Grants and donations</b>																	
Bread for the World	2 728 482	3 555 784															
ACT Church of Sweden	941 631	1 034 129															
Heinrich Böll Stiftung	-	75 000															
Ford Foundation	1 248 821	165 600															
European Union (Social Change Assistance Trust)	739 589	466 568															
Open Society Foundation - South Africa	1 229 223	770 777															
The Raith Foundation	-	72 852															
The Humane League	534 657	353 757															
Swedish Society for Nature Conservation	1 549 670	3 108 689															
Centre for Effective Altruism	-	269 762															
Hans Hoheisen	310 681	180 900															
Animal Charity Evaluators	203 907	151 805															
SA German Research Hub	39 128	-															
Other donations	4 806	4 703															
	<b>9 530 595</b>	<b>10 210 326</b>															
<b>9. Other income</b>																	
Rockefeller SAFCEI Administration Fee	-	134 251															
Rockefeller Philanthropy - Funds Received	-	1 436 299															
Total Rockefeller Philanthropy - Funds Disbursed	-	(1 302 048)															
Sundry income	1 172	15 905															
	<b>1 172</b>	<b>150 156</b>															
<b>10. Unrealised income</b>																	
Unrealised foreign currency translation gain: USD #	11 243	9 964															
# Arising from balance conversion at USD:ZAR SARB spot rate, 31 December 2022	<b>11 243</b>	<b>9 964</b>															
<b>11. Interest income</b>																	
Interest earned - bank accounts	97 547	93 713															
	<b>97 547</b>	<b>93 713</b>															
<b>12. Taxation</b>																	
No provision has been made for taxation as the company has been approved for exemption from income tax as a public benefit organisation under section 10(1)(cN) as read with section 30 of the Income Tax Act.																	
<b>13. Cash generated from/(utilised in) operations</b>																	
Surplus for the year	265 577	118 015															
<i>Adjustments for:</i>																	
Interest income	(97 547)	(93 713)															
Depreciation	76 058	105 530															
Deferred income adjustment in prior period	1 839 011	334 371															
Prior period deferred income adjustment	(73 833)	-															
Movement in provision for leave pay	(44 206)	50 329															
Operating surplus before working capital movements	<b>1 965 060</b>	<b>514 532</b>															
<i>Changes in working capital</i>	236 049	433 381															
Movement in receivables	(44 220)	224 688															
Movement in payables	280 269	208 693															
	<b>2 201 109</b>	<b>947 913</b>															
<b>14. Commitments</b>																	
The company has the following lease commitments in respect of agreements over premises and photocopier as follows:																	
- payable within one year	321 444	284 162															
- payable between one and four years	659 237	36 060															
	<b>980 681</b>	<b>320 222</b>															
<b>15. Directors' remuneration</b>																	
	<table border="1"> <thead> <tr> <th></th> <th>Basic Remuneration</th> <th>Medical Allowance</th> <th>Data Costs</th> <th>Total Emoluments</th> </tr> <tr> <th></th> <th>R</th> <th>R</th> <th>R</th> <th>R</th> </tr> </thead> <tbody> <tr> <td>F de Gasparis</td> <td style="text-align: right;">741 842</td> <td style="text-align: right;">9 000</td> <td style="text-align: right;">6 000</td> <td style="text-align: right;">756 842</td> </tr> </tbody> </table>		Basic Remuneration	Medical Allowance	Data Costs	Total Emoluments		R	R	R	R	F de Gasparis	741 842	9 000	6 000	756 842	
	Basic Remuneration	Medical Allowance	Data Costs	Total Emoluments													
	R	R	R	R													
F de Gasparis	741 842	9 000	6 000	756 842													

**SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)**  
REGISTRATION NO. 2006/014388/08

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

**Notes to the Financial Statements (continued)**

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**16. Prior year adjustments**

The adjustment corrects a prior year error that arose when the deferred income was under estimated by the sum of R73 832.79, and therefore incorrectly transferred directly to retained income. This adjustment affected the presentation in the annual financial statements for the 2021 year of the funder deferred income, for Animal Charity Evaluator's (ACE). Reports to the funder were not adversely affected. The adjustments were processed in the current financial statements as the adjustment was not material and the deferred income estimates are reviewed annually.

	<b>Previously Stated per Dec 2021</b>	<b>Adjustment</b>	<b>Restated Balance Dec 2021</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Deferred Income	2 005 058	73 833	2 078 891
Retained Income	877 312	(73 833)	803 480

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