

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 2019**

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

General Information

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, for education and the promotion of interfaith dialogue and programmes in order to preserve the environment and ecology of the planet Earth as God's creation.

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

Name/ Faith Community represented

Stephen Jacobs (Jewish)
Christine Leone Jardine (Buddhist)
Usha Jevan (Brahma Kumaris)
Shuaib Appleby (Muslim Judicial Council)
Kirtanya Lutchminarayan (Hindu)

Changes

Appointed Chairperson - June 2019

Clare Hendry (Christian)
Braam Hanekom (Christian)
Shaun Cozett (Christian)

Appointed - June 2019

Appointed - June 2019

Appointed - June 2019

Fiona Maskell (Chairperson)

Resigned Chairperson - February 2019

Legal form Non-profit Company (NPC)

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

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.

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

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Contents

Directors' Responsibilities and Approval	2
Report of the Independent Auditor	3
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Funds	8
Statement of Cash Flow	9
Accounting Policies	10 - 14
Notes to the Financial Statements	15 - 17

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 2019

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 judgments 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 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 year to 31 December 2020 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 external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved by the Board of Directors and were signed on its behalf by:



DIRECTOR

05 / 27 / 2020

DATE



DIRECTOR

05 / 27 / 2020

DATE



SOLACE

AUDIT | ACCOUNTING | CONSULTING

Bringing you peace of mind...

Independent Auditor's Report

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 17, which comprise the statement of financial position as at 31 December 2019, 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 2019, 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 trust 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 director'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.



SOLACE

AUDIT | ACCOUNTING | CONSULTING

Bringing you peace of mind...

Independent Auditor's Report (continued)

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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 NPC'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 trust 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.
- We communicate with the directors 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.

Solace and Associates Inc

28 May 2020

Per:
Director / Partner
Chartered Accountant (SA)

14 Franz Square
Allenby Estate
Retreat
7945

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report together with the audited financial statements for the company for the financial year ended 31 December 2019.

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, for education and the promotion of interfaith dialogue and programmes in order to preserve 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, in accordance with the Companies Act no. 71 of 2008, to perform an audit of the organisation's annual financial statements.

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. Due to the ongoing support of its partners, the company is confident that it will be able to continue to operate for at least the coming financial year.

6. Equipment

During the year, the company acquired equipment costing R96 777 (2018: R135 523).

SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTRATION NO. 2006/014388/08

Statement of Financial Position as at 31 December 2019

	Notes	2019 R	2018 R
Assets			
Non Current Assets			
Equipment	3	<u>147,613</u>	<u>130,264</u>
		147,613	130,264
Current Assets			
Accounts receivable	4	255,697	400,936
Cash and cash equivalents	5	<u>2,508,219</u>	<u>2,770,929</u>
		2,763,915	3,171,865
Total Assets		<u>2,911,528</u>	<u>3,302,129</u>
Funds and Liabilities			
Funds			
Accumulated funds		631,778	537,587
Equipment fund		<u>147,611</u>	<u>130,264</u>
		779,388	667,850
Current Liabilities			
Trade and other payables	6	180,283	546,480
Funds held in trust	7	-	-
Deferred Income	8	1,849,296	2,039,242
Employee leave accrual	9	<u>102,560</u>	<u>48,556</u>
		2,132,139	2,634,278
Total Funds and Liabilities		<u>2,911,528</u>	<u>3,302,129</u>

SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTRATION NO. 2006/014388/08

Statement of Comprehensive Income

	Notes	2019 R	2018 R
Income		7 360 456	6 124 699
Grants and donations	10	7,360,156	6,104,764
Other income		300	19,935
Expenditure		7,366,825	6,117,923
Operating costs		2,660,508	2,307,155
Assets expensed directly		3,367	3,216
Depreciation		79,427	37,570
Governance		14,787	100,170
Office running costs		176,012	186,860
Personnel costs		1,851,269	1,323,085
Premises and equipment costs		336,673	262,985
Professional services		198,974	393,269
Programme costs		4,706,317	3,810,768
Energy Justice		1,229,872	1,411,755
Food and Climate Justice		852,606	71,491
Supporting Faith Communities		592,709	535,019
Education - Media and communications		453,085	477,503
Faith Leader Environmental Advocacy Training(FLEAT)		1,065,004	773,510
Cage Free Campaign and Animal Justice		513,040	375,641
WWF		-	165,847
Operating (deficit) / surplus for the year		(6,368)	6,776
Interest income	11	117,908	147,589
Surplus for the year		111,539	154,364

SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTRATION NO. 2006/014388/08

Statement of Changes in Funds

	Equipment Fund	Accumulated Funds	Total
	R	R	R
Balance at 1 January 2018	32,311	481,176	513,487
Surplus for the year	-	154,364	154,364
Transfer to equipment fund for additions	135,522	(135,523)	(1)
Transfer from equipment fund for disposals	(2)	2	-
Depreciation during the year	(37,570)	37,570	-
Balance at 31 December 2018	130,261	537,589	667,850
Surplus for the year	-	111,539	111,539
Transfer to equipment fund for additions	96,777	(96,777)	-
Transfer from equipment fund for disposals	-	-	-
Depreciation during the year	(79,427)	79,427	-
Balance at 31 December 2019	147,611	631,778	779,388

Note 1.13

SOUTHERN AFRICAN FAITH COMMUNITIES' ENVIRONMENT INSTITUTE NPC (SAFCEI)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTRATION NO. 2006/014388/08

Statement of Cash Flows

	Notes	2019 R	2018 R
Cash flow from / (used in) operating activities			
Cash utilised by operations	13	(283,842)	(81,379)
Interest received	11	<u>117,908</u>	<u>147,589</u>
Net cash (outflow) /inflow from operating activities		(165,934)	66,210
Cash flow used in investing activities			
Acquisition of equipment		<u>(96,777)</u>	<u>(135,523)</u>
Net cash used in investing activities		(96,777)	(135,523)
Cash (utilised in) / generated from financing activities			
Net programme funds disbursed	7	<u>-</u>	<u>(104,681)</u>
Decrease in cash and cash equivalents		(262,711)	(173,994)
Cash and cash equivalents at the beginning of the year		2,770,929	2,944,923
Cash and cash equivalents at the end of the year	5	<u>2,508,218</u>	<u>2,770,929</u>

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 2019

Accounting Policies

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 No. 71 of 2008. 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 following 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.

There were 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)

REGISTRATION NO. 2006/014388/08

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Accounting Policies (continued)

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:

Item	Estimated useful life
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 asset 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.

Accounting Policies (continued)

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, 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 Income

Income from grants is brought to account in the financial period to which it relates.

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 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 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. 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 they are incurred.

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 2019

Accounting Policies (continued)

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.

Accounting Policies (continued)

2. Financial risk management

2.1 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 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.

Notes to the Financial Statements

3. Equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Computer equipment	349,255	237,434	111,821	281,718	170,302	111,416
Computer software	21,998	19,479	2,520	16,802	16,521	281
Office equipment	47,001	27,550	19,450	34,364	22,427	11,937
Office furniture	31,559	17,736	13,823	20,153	13,522	6,630
Total	449,813	302,200	147,613	353,036	222,772	130,264

Reconciliation of equipment - 2019

	Opening carrying value	Additions	Disposals	Depreciation	Closing carrying value
Computer equipment	111,414	67,537	-	67,132	111,820
Computer software	281	5,196	-	2,958	2,520
Office equipment	11,938	12,637	-	5,123	19,451
Office furniture	6,630	11,407	-	4,214	13,822
	130,263	96,777	-	79,427	147,613

Reconciliation of equipment - 2018

	Opening carrying value	Additions	Disposals	Depreciation	Closing carrying value
Computer equipment	24,037	117,361	-	29,984	111,414
Computer software	-	540	-	259	281
Office equipment	2,848	12,974	-	3,884	11,938
Office furniture	5,425	4,649	-	3,444	6,630
	32,310	135,523	-	37,570	130,263

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 2019

Notes to the Financial Statements (continued)

	2019 R	2018 R
4. Accounts receivable		
Deposits paid	12,548	12,548
Prepaid expenditure	86,507	378,059
Funds held in trust by third party	156,642	-
Sundry receivables	-	10,329
	<u>255,697</u>	<u>400,936</u>
5. Cash and cash equivalents		
Cash on hand	648	703
Investment accounts	2,411,800	2,707,463
Other savings account - NCA	768	868
Other savings accounts	95,003	61,895
	<u>2,508,219</u>	<u>2,770,929</u>
6. Accounts payable		
SARS payables	68,802	-
Accruals	72,480	62 543
Audit fee provision	39,000	39,000
Grants Received in Advance - Bread for the World	-	444,937
	<u>180,283</u>	<u>546,480</u>
7. Funds held in trust		
Balance at beginning of the year	-	104,681
SAFCEI Contributions	-	165,847
Grant received	-	(99,847)
Refunded to funder	-	-99,847
Funds disbursed	-	(170,681)
Programme costs	-	(170,681)
Anglican community	-	(137,681)
Muslim community	-	(33,000)
Administration fees	-	-
Balance at end of year	<u>-</u>	<u>-</u>
8. Deferred income		
Social Justice Initiative - SJI	143,292	-
The Raith Foundation	1,037,463	1,728,954
Sol Plaatjie Education	-	133,310
Centre for Effective Altruism	509,494	-
Open Society Foundation - SA	-	51,357
The Humane League	159,047	125,622
	<u>1,849,296</u>	<u>2,039,242</u>
9. Employee leave accrual		
Leave pay provision	102,560	48,556
	<u>102,560</u>	<u>48,556</u>
Reconciliation for the period		
Carrying amount as at 1 January	48,556	38,510
- Additions during the year	102,560	48,556
- Unused amounts reversed	(48 556)	(38 510)
Carrying amount as at 31 December	<u>102,560</u>	<u>48,556</u>

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 2019

Notes to the Financial Statements (continued)

	2019 R	2018 R
10. Grants and donations		
Bread for the World	2,369,145	2,421,396
Church of Sweden	917,756	922,406
Heinrich Böll Stiftung	200,048	214,890
350.org	12,000	54,674
Sol Plaatjie Educ Project	133,310	129,808
Norwegian Church Aid		97,585
Open Society Foundation - South Africa	51,357	381,660
Organisation Undoing Tax Abuse (OUTA)	-	100,000
The Raith Foundation	1,765,792	1,192,835
Social Justice Initiative (SJI)	206,708	
The Humane League	671,285	418,813
Swedish Society for nature Conservation	929,723	
Centre for Effective Altruism	79,338	
Other donations	23,695	170,696
	7,360,156	6,104,764
11. Interest income		
Interest earned - bank accounts	117,908	148,199
Interest earned - NCA / MFA bank account	-	-610
	117,909	147,590
12. Taxation		
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		
13. Cash Generated from/(Utilised in) Operations		
Surplus for the year	111,539	154,364
<i>Adjustments for:</i>		
Interest income	(117,908)	(147,589)
Depreciation	79,427	37,570
Loss on disposal of fixed assets	-	-
Movement in deferred income	(189,946)	(240,256)
Movement in provision for leave pay	54,003	10,046
Operating Surplus before working capital	(62,885)	(185,864)
<i>Changes in working capital</i>	(220,957)	104,485
Movement in receivables	145,240	(383,388)
Movement in payables	(366,197)	487,874
	(283,842)	(81,379)
14. Commitments		
The company has the following lease commitments in respect of agreements over premises and photocopier as follows:		
- payable within one year	319,286	295,141
- payable between one and four years	286,867	606,153
	606,153	901,294