



AFRICAN VENTURE PHILANTHROPY ALLIANCE NPC
(Registration No. 2017/370334/08)

FINANCIAL STATEMENTS

10 MONTH PERIOD ENDED 31 DECEMBER 2021

PREPARER

Prepared by Ashley Muller CA(SA), RA.

LEVEL OF ASSURANCE

Audited

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The financial statements set out on pages 4 to 12 were approved and signed by the board of directors on 17 August 2022.

FA DENGO
Director

B MOYO
Director

PA PARRING
Director

PL CARTTAR
Director

DIRECTORS' REPORT

The directors present their report for the 10 month period ended 31 December 2021.

CHANGE OF YEAR END

During the period under review, the company changed its year end from February to December.

REVIEW OF ACTIVITIES

The company carries on the business of promotion of social investment to stimulate the expansion of Venture Philanthropy and all business allied thereto.

The company is in the process of applying for Income Tax exemption as a public benefit organisation and is awaiting approval of such by the South African Revenue Service.

The business and operations of the company continued during the period under review as in the past and we have nothing further to report thereon.

The results of the business and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comment.

MEMBERS AND SHARE CAPITAL

As contemplated in Item 4 (1) of Schedule 1 of the Companies Act, the company has no members.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Refer to Note 8 in the attached financial statements.

No other material fact or circumstance has occurred between the reporting date and the date of this report.

STATEMENT OF RESPONSIBILITY

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditor is responsible to report on the fair presentation of the financial statements. The financial statements have been 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.

The directors are also responsible for the company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the 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 directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

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

EMPLOYEES

The average number of employees for the period under review was nil.

DIRECTORS

The following directors held office throughout the period under review and to the date of this report.

*B Moyo
PA Parring
FA Dengo
PL Carttar*

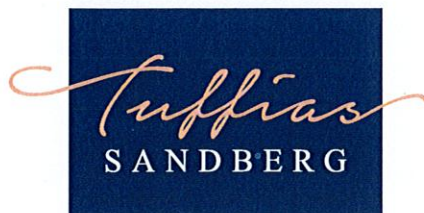
SECRETARY

The company has no secretary.

GLOBAL STRUCTURE

African Venture Philanthropy Alliance NPC is an affiliate of African Venture Philanthropy Alliance Africa headquartered in Nairobi, Kenya.

17 August 2022



CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF AFRICAN VENTURE PHILANTHROPY ALLIANCE NPC

Opinion

We have audited the financial statements of African Venture Philanthropy Alliance NPC set out on pages 4 to 12, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 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 African Venture Philanthropy Alliance NPC as at 31 December 2021, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of 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 directors are responsible for the other information. The other information comprises the information included in the document titled "African Venture Philanthropy Alliance NPC Financial Statements for the period ended 31 December 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the detailed income statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

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Responsibilities of the Directors 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 the requirements of the Companies Act of South Africa, 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 the company or to cease operations, or have no realistic alternative but to do so.


Auditor's Responsibilities 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 directors.*
- 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.*

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.



PAULO MARQUES
Partner
Registered Auditor
Johannesburg

17 August 2022

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Note	December 2021 R	February 2021 R
ASSETS			
Current assets		2 402 971	99 804
Cash and cash equivalents		2 402 971	75 639
Current tax receivable		-	24 165
Total assets		<u>2 402 971</u>	<u>99 804</u>
EQUITY AND LIABILITIES			
Equity			
Retained earnings (accumulated losses)		1 590 543	(1 198 737)
Current liabilities		812 428	1 298 541
Trade and other payables	2	797 950	1 298 541
Current tax liability		14 478	-
Total equity and liabilities		<u>2 402 971</u>	<u>99 804</u>

STATEMENT OF CHANGES IN EQUITY FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2021

	<i>Retained earnings (accumulated losses) R</i>	<i>Total R</i>
<i>Balance at 29 February 2020</i>	270 563	270 563
<i>Deficit and total comprehensive loss for the year</i>	(1 469 300)	(1 469 300)
<i>Balance at 28 February 2021</i>	(1 198 737)	(1 198 737)
<i>Surplus and total comprehensive income for the period</i>	2 789 280	2 789 280
<i>Balance at 31 December 2021</i>	1 590 543	1 590 543

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2021

	Note	December 2021 R	February 2021 R
REVENUE	3	3 714 117	-
Other income	4	952 684	828 996
Operating costs		(1 837 966)	(2 298 296)
SURPLUS (DEFICIT) BEFORE TAX	5	2 828 835	(1 469 300)
Tax	6	(39 555)	-
SURPLUS (DEFICIT) AND TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD/YEAR		<u>2 789 280</u>	<u>(1 469 300)</u>

STATEMENT OF CASH FLOWS FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2021

	December 2021 R	February 2021 R
Net cash flows from operating activities	2 327 332	(339 734)
Surplus (deficit) before tax	2 828 835	(1 469 300)
Adjustments for:		
Interest received	(5 914)	(1 758)
Operating surplus (deficit) before working capital changes	2 822 921	(1 471 058)
Trade and other payables	(500 591)	1 129 566
Cash generated from (utilised by) operations	2 322 330	(341 492)
Interest received	5 002	1 758
Net increase (decrease) in cash and cash equivalents	2 327 332	(339 734)
Cash and cash equivalents at beginning of year	75 639	415 373
Cash and cash equivalents at end of year	2 402 971	75 639

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1.1 General information**

African Venture Philanthropy Alliance NPC is a company incorporated in South Africa.

The address of its registered office and principal place of business is 24 Watercombe Road, Farnall, Fourways, 2191.

The company carries on the business of promotion of social investment to stimulate the expansion of Venture Philanthropy and all business allied thereto.

The financial statements were authorised for issue by the directors on 17 August 2022.

1.2 Basis of preparation

The financial statements are prepared on the historical cost basis, except as otherwise indicated in the notes to the financial statements, and incorporate the following principal accounting policies, which except as otherwise indicated, are consistent with those applied in the previous year.

The financial statements have been presented in South African Rand, and all amounts have been rounded to the nearest Rand.

The financial statements are prepared on the going concern basis.

1.3 Materiality

International Financial Reporting Standard for Small and Medium-sized Entities is only applicable to material items. Management applies judgement and considers both qualitative and quantitative factors in determining materiality applied in these financial statements.

1.4 Statement of compliance

The financial statements have been 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

1.5 Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The company classifies financial instruments into the following categories:

- Financial assets measured at amortised cost;*
- Financial liabilities measured at amortised cost*

Financial instruments included on the statement of financial position include cash and cash equivalents and trade and other payables.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.6 Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

If, in a subsequent period, the amount of an impairment loss reverses, the previously recognised impairment loss is reversed (but not in excess of the amount that would have been determined had no impairment loss been recognised for the financial asset in prior years) and the reversal is recognised in profit or loss in other income.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 (Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are classified as financial assets measured at amortised cost.

Cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less. They are initially recognised at transaction price and subsequently measured at amortised cost.

1.8 Income Tax**Tax expense**

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable income for the year plus under/over provisions in prior periods.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.9 Trade and other payables

Trade and other payables are classified as financial liabilities measured at amortised cost.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Most obligations are on normal credit terms and do not bear interest.

Trade and other payables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's activities. Revenue is shown net of value-added tax.

Revenue from the rendering of services comprises grants received by donors.

Grants received are recognised in the accounting period in which they relate.

Interest income, fellowship fees and disbursements are not received as part of the ordinary course of business and are recognised in other income.

Interest income is recognised on the accrual basis, using the effective interest method.

Fellowship fees and disbursements are recognised when received.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 (Continued)

1.11 Key sources of estimation uncertainty and judgements

Estimates and judgements 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.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are discussed below.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves an exercise of significant judgement and estimates of the outcome of future events.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Tax expense

Taxes are a matter of interpretation and subject to changes. Estimations of normal company tax and capital gains tax are based on management's interpretation thereof.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 (Continued)

	December 2021 R	February 2021 R
2. TRADE AND OTHER PAYABLES		
Trade payables – third parties	124 531	101 473
Trade payables – related parties	90 040	1 197 068
	<u>214 571</u>	<u>1 298 541</u>
Accrual for consultant incentive	548 364	-
Others (aggregate of immaterial items)	35 015	-
	<u>797 950</u>	<u>1 298 541</u>
3. REVENUE		
Grants received	<u>3 714 117</u>	<u>-</u>
4. OTHER INCOME		
Interest received	5 914	1 758
Fellowship fees	227 145	-
Disbursements received from African Venture Philanthropy Alliance Limited - Kenya	719 625	827 238
	<u>952 684</u>	<u>828 996</u>
5. SURPLUS (DEFICIT) BEFORE TAX		
Surplus (deficit) before tax is arrived at after taking into account:		
INCOME		
Interest received	5 914	1 758
Fellowship fees	227 145	-
Disbursements received from Africa Venture Philanthropy Alliance Limited - Kenya	719 625	827 238
	<u>719 625</u>	<u>827 238</u>
EXPENDITURE		
Consulting fees	1 712 683	2 201 004
Loss on foreign exchange	1 029	-
	<u>1 712 683</u>	<u>2 201 004</u>
6. TAX		
South African normal tax - current tax expense	<u>39 555</u>	<u>-</u>
The income tax expense for the period can be reconciled to accounting profit as follows:		
Surplus (deficit) before tax	2 828 835	(1 469 300)
Income tax expense at 28%	792 074	(411 404)
Effect of income that is not taxable in determining taxable income	(1 241 448)	(231 627)
Expenses attributable to exempt income not deductible	488 929	643 031
	<u>39 555</u>	<u>-</u>

Income that is not taxable relates to grants received of R3 714 117 (February 2021: R Nil) and disbursements received of R719 625 (February 2021: R827 238).

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 (Continued)

7. RELATED PARTIES

During the period, the company entered into the following transactions and had the following balances with related parties:

	Transaction values for the period ended		Balance outstanding as at	
	Dec 2021	Feb 2021	Dec 2021	Feb 2021
Operating costs and payables				
Asili Consulting Proprietary Limited				
- Entity controlled by individual with significant influence	1 712 683	2 179 305	90 040	1 197 068
Other income				
African Venture Philanthropy Alliance Limited – Kenya				
- Affiliated entity	719 625	827 238	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Related party transactions are determined by the directors.

8. SUBSEQUENT EVENTS**COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in South Africa and around the world. The situation is constantly evolving and the measures put in place continue to have a significant impact on the economy.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the company's operations as at the date of these financial statements.

9. COMPARATIVES

The current period presented in the financial statements is for 10 months as the company changed its year end from February to December.

MANAGEMENT INFORMATION

AFRICAN VENTURE PHILANTHROPY ALLIANCE NPC

DETAILED INCOME STATEMENT FOR THE 10 MONTH PERIOD ENDED 31 DECEMBER 2021

	December 2021 R	February 2021 R
REVENUE	3 714 117	-
OTHER INCOME	952 684	828 996
<i>Fellowship fees</i>	227 145	-
<i>Interest received</i>	5 002	1 758
<i>Interest received - SARS</i>	912	-
<i>Disbursements received from African Venture Philanthropy Alliance Limited - Kenya</i>	719 625	827 238
	4 666 801	828 996
OTHER EXPENSES	(1 837 966)	(2 298 296)
<i>Accounting fees</i>	70 150	40 825
<i>Bank charges</i>	2 599	2 570
<i>Consulting fees</i>	1 712 683	2 201 004
<i>Legal fees</i>	-	50 002
<i>Loss on foreign exchange</i>	1 029	-
<i>Secretarial fees</i>	38 574	3 895
<i>Staff training</i>	12 931	-
SURPLUS (DEFICIT) BEFORE TAX	2 828 835	(1 469 300)