

***Grace and Dignity (Non-profit Company)***  
(Registration number 1998/018381/08)

Financial statements  
for the year ended 31 December 2018

These financial statements were prepared by:  
Croy Business Services

J. Jonck  
Chartered Accountant (SA)  
Registered Auditor

The financial statements are audited.

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Missionary, social and religious upliftment for non-profit
<b>Board members</b>	W.D Banton B.F Dudley J. Holliday S. Zondi
<b>Registered office</b>	Unit 9 Meadowridge Shopping Centre 15 Howard Drive Meadowridge 7806
<b>Auditor</b>	J. Jonck Chartered Accountant (SA) Registered Auditor
<b>Preparer</b>	The financial statements were independently compiled by: Croy Business Services

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

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The reports and statements set out below comprise the financial statements presented to the members:

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## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

### Board Members' Responsibilities and Approval

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The board members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officer is responsible to determine that the financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act.

The board members are also responsible for the corporation's system 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 board members to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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

The financial statements set out on pages 6 to 14, were approved on 29 April 2019 and have been signed by them or on their behalf by:

#### Approval of financial statements



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Member

WJ JONCK  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANT (SA)  
REGISTERED TAX PRACTITIONER

1st Floor, Teneo House, Central Park, Esplanade Road, Century City  
Tel: 082 657 1135 Email: [joubertjonck@gmail.com](mailto:joubertjonck@gmail.com)



## Independent Auditor's Report

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### To the board members of Grace and Dignity (Non-profit Company)

#### Opinion

I have audited the financial statements of Grace and Dignity (Non-profit Company) set out on pages 7 to 13, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Grace and Dignity (Non-profit Company) as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act, 1997.

#### Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the entity 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. I have fulfilled my 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

The board members are responsible for the other information. The other information comprises the Board Members' Report as required by the Non-profit Organisations Act, 1997, which we obtained prior to the date of this report. Other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

# Independent Auditor's Report

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## Responsibilities of the members for the Financial Statements

The board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-profit Organisations Act, 1997, and for such internal control as the board members 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 board members are responsible for assessing the entity'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 board members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.

I communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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J. Jonck

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

## Board Members' Report

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The board members submit their report for the year ended 31 December 2018.

### 1. Review of activities

#### Main business and operations

The entity is engaged in missionary, social and religious upliftment for non-profit and operates principally in South Africa.

The operating results and state of affairs of the entity are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after the reporting period

The board members are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

### 4. Members

The board members of the close corporation during the year and to the date of this report are as follows:

Name  
W.D Banton  
B.F Dudley  
J. Holliday  
S. Zondi

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

## Statement of Financial Position as at 31 December 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	1 674 617	265 296
Current Assets			
Loans		-	575 742
Trade and other receivables	4	62 902	27 187
Other financial assets	3	-	63 337
Cash and cash equivalents	5	617 731	1 879 786
		<b>680 633</b>	<b>2 546 052</b>
<b>Total Assets</b>		<b>2 355 250</b>	<b>2 811 348</b>
<b>Reserves and Liabilities</b>			
Reserves			
Retained income		980 387	980 387
		1 360 108	1 806 645
		<b>2 340 495</b>	<b>2 787 032</b>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	7	14 755	24 316
<b>Total Equity and Liabilities</b>		<b>2 355 250</b>	<b>2 811 348</b>



## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

### Statement of Profit or Loss

Figures in Rand	Note(s)	2018	2017
Revenue		4 074 091	4 710 788
Other income		1 253	-
Operating expenses		(4 598 365)	(3 722 048)
<b>Operating (loss) profit</b>		<b>(523 021)</b>	<b>988 740</b>
Investment revenue		76 484	53 014
Fair value adjustments		-	14 384
<b>(Loss) profit for the year</b>		<b>(446 537)</b>	<b>1 056 138</b>

## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

### Statement of Changes in Reserves

Figures in Rand	Other NDR	Retained income	Total equity
<b>Balance at 01 January 2017</b>	<b>980 387</b>	<b>750 507</b>	<b>1 730 894</b>
<b>Profit for the year</b>	<b>-</b>	<b>1 056 138</b>	<b>1 056 138</b>
<b>Balance at 01 January 2018</b>	<b>980 387</b>	<b>1 806 645</b>	<b>2 787 032</b>
<b>Loss for the year</b>	<b>-</b>	<b>(446 537)</b>	<b>(446 537)</b>
<b>Balance at 31 December 2018</b>	<b>980 387</b>	<b>1 360 108</b>	<b>2 340 495</b>
Note(s)	6		

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Non-profit Organisations Act, 1997. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the entity holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant 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 property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the close corporation and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the entity.

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

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Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	6 years
Optical equipment	Straight line	6 years
Trailer	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

# Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1.2 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### 1.3 Revenue

Revenue is recognised to the extent that the entity has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the entity. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

### 1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

### Notes to the Financial Statements

Figures in Rand

2018

2017

#### 2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	119 535	(44 664)	74 871	77 210	(35 431)	41 779
Motor vehicles	1 617 734	(371 862)	1 245 872	232 310	(109 402)	122 908
Office equipment	90 150	(52 192)	37 958	74 651	(44 231)	30 420
IT equipment	121 054	(101 264)	19 790	121 054	(94 124)	26 930
Optical equipment	281 549	(46 401)	235 148	59 900	(16 641)	43 259
Trailer	69 032	(8 054)	60 978	-	-	-
<b>Total</b>	<b>2 299 054</b>	<b>(624 437)</b>	<b>1 674 617</b>	<b>565 125</b>	<b>(299 829)</b>	<b>265 296</b>

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	41 779	42 325	(9 233)	74 871
Motor vehicles	122 908	1 385 424	(262 460)	1 245 872
Office equipment	30 420	15 499	(7 961)	37 958
IT equipment	26 930	-	(7 140)	19 790
Optical equipment	43 259	221 650	(29 761)	235 148
Trailer	-	69 032	(8 054)	60 978
	<b>265 296</b>	<b>1 733 930</b>	<b>(324 609)</b>	<b>1 674 617</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	4 801	40 635	(3 657)	41 779
Motor vehicles	168 651	-	(45 743)	122 908
Office equipment	7 120	29 539	(6 239)	30 420
IT equipment	28 455	4 034	(5 559)	26 930
Trailer	53 244	-	(9 985)	43 259
	<b>262 271</b>	<b>74 208</b>	<b>(71 183)</b>	<b>265 296</b>

## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

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### Notes to the Financial Statements

Figures in Rand	2018	2017
<b>3. Other financial assets</b>		
<b>Available for sale</b>		
Stanlib Unit trusts	-	63 337
<b>Current assets</b>		
Available for sale	-	63 337
<b>4. Trade and other receivables</b>		
Workmans' compensation receivable	20 486	20 486
VAT	42 416	6 701
	<b>62 902</b>	<b>27 187</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	15 275	2 691
Bank balances	602 456	1 877 095
	<b>617 731</b>	<b>1 879 786</b>
<b>6. Other NDR</b>		
Mercy Vision Reserves	980 387	980 387
<b>7. Trade and other payables</b>		
Trade payables	(805)	-
Accrued audit fees	15 560	14 284
Other payables	-	10 032
	<b>14 755</b>	<b>24 316</b>

## Grace and Dignity (Non-profit Company)

(Registration number: 1998/018381/08)

Financial Statements for the year ended 31 December 2018

### Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
<b>Revenue</b>			
Donations received		4 074 091	4 710 788
<b>Other income</b>			
Discount received		1 253	-
Interest received		76 484	53 014
Fair value adjustments		-	14 384
		<b>77 737</b>	<b>67 398</b>
<b>Operating expenses</b>			
Accounting, tax and secretarial fees		9 057	18 066
Advertising and website costs		3 945	-
Auditors remuneration		13 530	12 530
Bank charges		14 475	11 260
Cleaning		4 833	2 603
Computer expenses		24 299	15 857
Depreciation, amortisation and impairments		324 609	71 183
Donations		6 000	80 269
Employee costs		2 578 881	1 863 941
Entertainment		-	3 510
Fundraising expenses		429 354	340 677
Hospitality expenses		52 245	-
Insurance		70 498	71 578
Lease rentals on operating lease		91 277	126 197
Levies		60 698	51 486
Medical consumables		162 191	92 163
Motor vehicle expenses		263 465	112 720
Other expenses		16 124	11 799
Outreach program expenses		102 067	270 160
Postage		711	203
Printing and stationery		54 780	32 776
Promotions		101 552	309 114
Repairs and maintenance		18 628	44 206
Security		4 841	5 762
Software expenses		4 184	-
Staff welfare		4 815	11 243
Telephone and internet		53 084	74 898
Training		-	31 389
Travel - local		128 222	56 458
		<b>4 598 365</b>	<b>3 722 048</b>
<b>(Loss) profit for the year</b>		<b>(446 537)</b>	<b>1 056 138</b>