



The Isiqalo Foundation Trust

(Registration number IT2146/2010)

Trading as Waves for Change

**Annual Financial Statements
for the year ended 28 February 2023**

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Type of trust	Discretionary Trust
Trustees	T.R. Conibear B. Ndlovu W. Marshall-Smith A. Mhlongo N. Mpekelana
Registered office	1 Peri Road Clovelly Cape Town 7975
Business address	23 Beach Road Muizenberg Cape Town 7950
Postal address	23 Beach Road Muizenberg Cape Town 7950
Bankers	Standard Bank of South Africa Limited
Auditor	J.C. Galbraith Chartered Accountant (SA) Registered Auditor 89 Roodebloem Road Woodstock Cape Town 7950
Trust registration number	IT2146/2010
Preparer	The annual financial statements were independently compiled by: C. Thompson Chartered Accountant (SA)
Issued	26 July 2023
PBO reference number	087-106-NPO

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Contents

The reports and statements set out below comprise the annual financial statements presented to the management committee:

	Page
Trustees' Responsibilities and Approval	3
Trustees' Report	4
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 15
Notes to the Annual Financial Statements	16 - 21
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	22

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Trustees' Responsibilities and Approval

The trustees are required 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 trust 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 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 trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the trust's cash flow forecast for the year to 29 February 2024 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor and their report is presented on page 6.

The annual financial statements set out on pages 4 to 21, which have been prepared on the going concern basis, were approved by the board of trustees on 26 July 2023 and were signed on its behalf by:

Approval of annual financial statements



W. Marshall-Smith



B. Ndlovu

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Isiqalo Foundation Trust for the year ended 28 February 2023.

1. Nature of business

The Isiqalo Foundation Trust was incorporated in South Africa with interests in the operating welfare, health and education programmes for youth from under-resourced backgrounds industry. The trust operates in South Africa.

Surf Therapy: The programme provides a child-friendly mental health service to vulnerable and young people living in unstable communities in the Western Cape, Eastern Cape of South Africa. Through connections to safe spaces, caring mentors and a 10-month weekly surf therapy curriculum and aftercare pathway.

Partnerships: partnership programmes utilise learnings from the Waves for Change programme to provide training and support to partner organisations who launch and sustain surf therapy and activity-based therapy programmes for youth both in South Africa and internationally.

There have been no material changes to the nature of the trust's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees

T.R. Conibear

B. Ndlovu

W. Marshall-Smith

A. Mhlongo

N. Mpekelana

There have been no changes to the trustees for the period under review.

4. Events after the reporting period

The Isiqalo Foundation Trust donated all of its assets and discharged all of its liabilities to associated Non-profit organisation, Waves for Change Surf Therapy NPC.

The directors have adopted all operational and governance structures in order for Waves for Change Surf Therapy NPC to mirror The Isiqalo Foundation Trust Structure.

The purpose of the restructuring is to create a more internationally recognised governance structure and to create efficiencies in improving internal operational processes.

5. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Trustees' Report

6. Auditors

J.C. Galbraith continued in office as auditors for the trust for 2023.

7. Statement of disclosure to the company's auditor

With respect to each person who is a trustee on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the trust's auditor is unaware; and
- the person has taken all the steps that he or she ought to have taken as a trustee to be aware of any relevant audit information and to establish that the trust's auditor is aware of that information.

8. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the trustees on Wednesday, 26 July 2023. No authority was given to anyone to amend the annual financial statements after the date of issue.

Independent Auditor's Report

To the Trustee of The Isiqalo Foundation Trust

Opinion

I have audited the annual financial statements of The Isiqalo Foundation Trust (the trust) set out on pages 8 to 21, which comprise the statement of financial position as at 28 February 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of The Isiqalo Foundation Trust as at 28 February 2023, 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 and the requirements of the Non Profit Organisations Act 71 of 1997 and Trust Property Control Act 57 of 1988.

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 Annual Financial Statements section of my report. I am independent of the trust 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 annual 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The Isiqalo Foundation Trust annual financial statements for the year ended 28 February 2023", which includes the Trustees' Report as required by the Non Profit Organisations Act 71 of 1997 and Trust Property Control Act 57 of 1988 and the supplementary information as set out on page 22. The other information does not include the annual financial statements and my auditor's report thereon.

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

Responsibilities of the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non Profit Organisations Act 71 of 1997 and Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 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 trustees' 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 trust'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 annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees 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.



J.C. Galbraith
Chartered Accountant (SA)
Registered Auditor

26 July 2023

89 Roodebloem Road
Woodstock
Cape Town
7950

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	464,431	605,137
Intangible assets	3	382,375	427,225
Other financial assets	4	2,986	-
		849,792	1,032,362
Current Assets			
Trade and other receivables	5	689,005	152,517
Other financial assets	4	889,329	471,364
Cash and cash equivalents	6	17,162,371	12,603,545
		18,740,705	13,227,426
Total Assets		19,590,497	14,259,788
Equity and Liabilities			
Equity			
Accumulated surplus		8,007,395	4,881,728
Liabilities			
Non-Current Liabilities			
Other financial liabilities		-	1,365
Current Liabilities			
Trade and other payables	8	409,306	172,646
Deferred income	7	11,173,796	9,204,049
		11,583,102	9,376,695
Total Liabilities		11,583,102	9,378,060
Total Equity and Liabilities		19,590,497	14,259,788

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	9	19,979,902	15,414,899
Cost of sales	10	(14,818,135)	(13,441,193)
Gross surplus		5,161,767	1,973,706
Other income	11	525,440	350,947
Operating expenses	12	(3,165,990)	(2,388,199)
Operating surplus (deficit)		2,521,217	(63,546)
Investment revenue	15	604,450	462,126
Surplus for the year		3,125,667	398,580
Other comprehensive income		-	-
Total comprehensive income for the year		3,125,667	398,580

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2021	4,483,148	4,483,148
Surplus for the year	398,580	398,580
Other comprehensive income	-	-
Total comprehensive income for the year	398,580	398,580
Balance at 01 March 2022	4,881,728	4,881,728
Surplus for the year	3,125,667	3,125,667
Other comprehensive income	-	-
Total comprehensive income for the year	3,125,667	3,125,667
Balance at 28 February 2023	8,007,395	8,007,395

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from customers		21,656,670	13,966,363
Cash paid to suppliers and employees		(17,533,217)	(15,782,474)
Cash generated from (used in) operations	17	4,123,453	(1,816,113)
Interest income		604,450	462,126
Net cash from operating activities		4,727,903	(1,353,987)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(28,692)	(121,764)
Purchase of intangible assets	3	-	(445,800)
Net movement in other financial assets		(420,951)	(471,364)
Net cash from investing activities		(449,643)	(1,038,928)
Cash flows from financing activities			
Net movement in other financial liabilities		(1,365)	(176,933)
Total cash movement for the year		4,276,895	(2,569,848)
Cash and cash equivalents at the beginning of the year		12,603,545	15,173,396
(Profit) or loss on foreign exchange on cash and cash equivalents		281,933	-
Total cash at end of the year	6	17,162,373	12,603,548

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Deferred revenue recognition

The revenue policy requires revenue to be deferred when there are restrictions and/or when the related costs for which the grants are intended to compensate have not occurred. Restrictions can be time based, cost or expenditure based. These restrictions can be donor specific, contract specific, geographic and / or general economic events. This is an area of judgement which can result in a greater or lesser revenue recognition which is dependent upon the decision regarding the nature and extent of the restrictions.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the trust 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 trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit 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 trust.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Trailer	Straight line	5 years
Containers	Straight line	10 years

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1.2 Property, plant and equipment (continued)

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.

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 surplus or deficit when the item is derecognised.

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets as follows:

Item	Depreciation method	Average useful life
Website	Straight line	10 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 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 surplus or deficit) 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. They 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 surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1.5 Tax

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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.7 Impairment of assets

The trust assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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 surplus or deficit.

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 asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.8 Employee benefits

Short-term employee benefits

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

1.9 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1.10 Revenue and other grants

Revenue and other grants is recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses and the related costs for which the grants are intended to compensate. It should be noted that ultimate completion of delivery of service will happen once the program costs have been incurred to support the public benefit activity.

Revenue and other grants is recognised when the tranche payment becomes due or once a reporting period has come and the report has been filed to the funder. At this point the revenue is highly probable to be received and conditions of the funder have been met.

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in surplus or deficit in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in surplus or deficit.

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
-----------------	------	------

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Containers	451,851	(268,572)	183,279	445,967	(228,424)	217,543
IT equipment	230,116	(139,919)	90,197	213,596	(98,026)	115,570
Motor vehicles	751,730	(560,776)	190,954	751,730	(479,707)	272,023
Office equipment	4,430	(4,429)	1	4,430	(4,429)	1
Total	1,438,127	(973,696)	464,431	1,415,723	(810,586)	605,137

Reconciliation of property, plant and equipment - 2023

	Motor vehicles	Office equipment	IT equipment	Containers	Total
Cost	751,730	4,430	230,116	451,851	1,438,127
Accumulated depreciation	(560,776)	(4,429)	(139,919)	(268,572)	(973,696)
Net book value at 28 February 2023	190,954	1	90,197	183,279	464,431
Net book value at beginning of year	272,023	1	115,570	217,543	605,137
Additions	-	-	28,693	-	28,693
Depreciation	(81,069)	-	(54,066)	(34,264)	(169,399)
Net book value at end of year	190,954	1	90,197	183,279	464,431

Reconciliation of property, plant and equipment - 2022

	Motor vehicles	Office equipment	IT equipment	Containers	Trailer	Total
Cost	751,730	4,430	91,831	451,851	16,240	1,316,082
Accumulated depreciation	(398,638)	(4,429)	(64,564)	(200,440)	(16,240)	(684,311)
Net book value at 28 February 2022	353,092	1	27,267	251,411	-	631,771
Net book value at beginning of year	353,092	1	27,267	251,411	-	631,771
Additions	-	-	121,764	-	-	121,764
Depreciation	(81,069)	-	(33,461)	(33,868)	-	(148,398)
Net book value at end of year	272,023	1	115,570	217,543	-	605,137

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
-----------------	------	------

3. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website	445,800	(63,425)	382,375	445,800	(18,575)	427,225

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Closing balance
Website	427,225	(44,850)	382,375

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Closing balance
Website	-	445,800	(18,575)	427,225

4. Other financial assets

At amortised cost

Teampact (Pty) Ltd	2,986	-
Terms and conditions: The loan is unsecured, interest free and has no fixed terms of repayment.		
Waves for Change Surf Therapy NPC	889,329	471,364
Terms and conditions: The loan is unsecured, interest free and is repayable on a quarterly basis.		
	892,315	471,364

Non-current assets

At amortised cost	2,986	-
-------------------	-------	---

Current assets

At amortised cost	889,329	471,364
	892,315	471,364

5. Trade and other receivables

Trade receivables	560,033	-
Employee costs in advance	15,150	3,439
Prepayments	-	54,883
Deposits	31,000	32,000
VAT	56,684	35,647
Gift cards	3,147	6,548
Other receivable	2,991	-
Payfast Retention account	20,000	20,000
	689,005	152,517

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	8,841	11,617
Bank balances	17,153,530	12,591,928
	17,162,371	12,603,545
7. Deferred income		
Deferred income	11,173,796	9,204,049
Net deferred income		
Current liabilities	11,173,796	9,204,049
8. Trade and other payables		
Accrued expenses	178,630	120,733
Provident fund	40,002	37,313
Employee's tax	170,447	-
Workmen's compensation	20,227	14,600
	409,306	172,646
9. Revenue		
Donations and grants	19,979,902	15,414,899

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
10. Cost of sales		
Surf Therapy		
Salaries - site managers and coaches	3,744,865	3,369,693
Salaries - programme management	3,970,640	3,431,941
Salaries - youth development roles	727,707	778,276
Staff training	734,467	333,136
Equipment	463,281	49,038
Research	146,808	406,494
Safe guarding	-	18,566
Transport costs	760,079	746,430
Promotion wear	66,272	103,940
Events and marketing	506,801	136,588
Branding	-	37,910
Food and refreshments	157,745	108,708
Other programme costs	513,840	781,884
Mentoring for senior coach transition	360,000	360,000
COVID-19 programme support	-	446,923
Site safety and visits	128,582	-
	12,281,087	11,109,527
Partnerships: Wave Alliance		
Salaries	1,616,305	1,607,961
Flights, accommodation, boards and shipping	-	457,524
Other programme cost	-	182,510
Training consultant	-	192,000
Evaluation consultant	240,000	240,000
Content design consultant	-	49,057
Partner training	167,144	199,491
Active Foundation partner fund	28,746	228,260
Partner app subsidy	300,000	300,000
Audit fee	-	15,000
Partner implementation cost	184,853	-
	2,537,048	3,471,803
	14,818,135	14,581,330
11. Other income		
Profit on exchange differences	281,933	-
Administration and management fees	-	135,600
ETI rebate received	243,507	215,347
	525,440	350,947
12. Operating expenses		
Operating expenses include the following expenses:		
Operating lease charges		
Lease rentals on operating lease		
• Contractual amounts	70,000	122,500
Loss on exchange differences	-	183,168
Depreciation and amortisation	214,248	166,976
Employee costs	989,493	900,136

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
13. Employee cost		
Employee costs		
Basic	887,829	822,204
UIF	69,834	63,332
WCA	31,830	14,600
	989,493	900,136
14. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	169,398	148,401
Amortisation		
Intangible assets	44,850	18,575
Total depreciation, amortisation and impairments		
Depreciation	169,398	148,401
Amortisation	44,850	18,575
	214,248	166,976
15. Investment revenue		
Interest revenue		
Bank	604,450	462,126
16. Taxation		
Major components of the tax expense		
Reconciliation of the tax expense		
Accounting surplus	3,125,667	398,580
Tax at the applicable tax rate of 28% (2022: 28%)	875,187	111,602
Tax effect of adjustments on taxable income		
Exempt income		
Grants and donations	(5,594,373)	(4,543,832)
	(5,594,373)	(4,543,832)
Other		
Expenses in the production of exempt income	4,719,186	4,432,230
	4,719,186	4,432,230
	-	-
Non provision of tax		

No provision has been made for 2023 tax as the trust has no taxable income. The organisation has been approved as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act. Certain receipts and accruals are considered to be exempt in terms of Section 10(1)(cN) of the Income Tax Act.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
17. Cash generated from (used in) operations		
Net surplus before taxation	3,125,667	398,578
Adjustments for:		
Depreciation and amortisation	214,248	166,976
Surplus on foreign exchange differences	(281,933)	-
Investment income	(604,450)	(462,126)
Changes in working capital:		
(Increase) decrease in trade and other receivables	(536,486)	205,403
Increase (decrease) in trade and other payables	236,660	(120,058)
Deferred income	1,969,747	(2,004,886)
	4,123,453	(1,816,113)

18. Related parties

Relationships

Organisations that support South Africa	Friends of Isiqalo UK Waves for change USA
Founding trustee and member of key management	T. Conibear
Associated non-profit organisation	Waves for Change Surf Therapy NPC

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties

Waves for Change Surf Therapy NPC	889,443	471,364
-----------------------------------	---------	---------

Compensation paid to key management

Short-term employee benefits - T. Conibear	1,316,154	932,450
--	-----------	---------

19. Going concern

The annual 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.

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

20. Events after the reporting period

The Isiqalo Foundation Trust donated all of its assets and discharged all of its liabilities to associated nonprofit organisation, Waves for Change Surf Therapy NPC.

The directors have adopted all operational and governance structures in order for Waves for Change Surf Therapy NPC to mirror The Isiqalo Foundation Trust Structure.

The purpose of the restructuring is to create a more internationally recognised governance structure and to create efficiencies in improving internal operational processes.

The Isiqalo Foundation Trust

(Registration number: IT2146/2010)

Trading as Waves for Change

Annual Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Grants and donations		19,979,902	15,414,899
Cost of sales			
Direct programme expenses		(14,818,135)	(13,441,193)
Gross surplus		5,161,767	1,973,706
Other income			
Administration and management fees		-	135,600
ETI rebate received		243,507	215,347
Foreign exchange gains / (losses)		281,933	-
		525,440	350,947
Operating expenses			
Accounting fees		167,179	83,146
Admin salaries		238,614	175,838
Audit fees		30,350	59,080
Bad debts		2,439	-
Bank charges		47,942	27,164
Cleaning		18,654	8,700
Computer expenses		133,564	32,635
Consulting fees		163,107	29,522
Data protection		24,164	36,204
Depreciation and amortisation		214,248	166,976
Employee costs		989,493	900,136
Insurance		65,692	55,608
Lease rentals on operating lease		70,000	122,500
Loss on exchange differences		-	183,168
Office expenses		367,254	51,748
Provident fund		239,653	211,949
Repairs and maintenance		3,011	63,663
Storage and Parking		62,288	46,540
Telephone and fax		96,185	77,275
Travel - local		22,831	25,123
Travel - overseas		209,322	31,224
		3,165,990	2,388,199
Operating surplus (deficit)		2,521,217	(63,546)
Investment income	15	604,450	462,126
Surplus for the year		3,125,667	398,580