(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

### **General Information**

Country of incorporation and domicile South Africa

Nature of business and principal activities 
Improve treatments and/or expand access to care for people living

with or at risk of mental disorders

**Directors** T.M. Conibear

N. Mpekelana W. Marshall Smith

B.L. Ndlovu A. Mhlongo

Registered office 23 Beach Road

Muizenberg Cape Town Western Cape

7975

Postal address 23 Beach Road

Muizenberg Cape Town Western Cape

7975

**Auditor** J.C. Galbraith

Chartered Accountant (SA)

Registered Auditor

Company registration number 2021/396273/08

Tax reference number 9051400290

Level of assurance These annual financial statements have been audited in compliance

with the applicable requirements of the Companies Act of South Africa,

No. 71 of 2008.

Preparer The annual financial statements were independently compiled by:

Galbraith Rushby Inc.

Professional Accountant (SA)

Issued 03 July 2024

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Annual Financial Statements for the year ended 29 February 2024

## **Directors' Responsibilities and Approval**

The directors are required by the Companies Act of South Africa, 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 auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 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 28 February 2025 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 auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 6 - 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the board of directors on 14 June 2024 and were signed on its behalf by:

Approval of annual financial statements

W. Marshall Smith

B.L. Ndlovu

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **Directors' Report**

The directors have pleasure in submitting their report on the annual financial statements of Waves for Change Surf Therapy NPC for the year ended 29 February 2024.

#### 1. Incorporation

The company was incorporated on 03 March 2021 and obtained its certificate to commence business on the same day.

#### 2. Nature of business

Waves for Change Surf Therapy NPC was incorporated in South Africa with interests in the operating welfare industry. The company 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.

The Isiqalo Foundation Trust (NPO Registration number: 087-106-NPO) t/a Waves for Change, (referred to as the "trust"), has recently undergone a corporate restructuring. The restructuring involved transferring the operations of the Trust to Waves for Change Surf Therapy NPC (referred to as "NPC") with registration number 2021/396273/08 and PBO number 930078401.

As a part of this corporate restructuring, the handling of funds or donations, the composition of the board of directors, and the financial procedures will mirror exactly the previous trust structure.

This change is a specific effort aimed at enhancing the governance and effectiveness of our organization, ultimately enabling us to better serve the community with whom we engage.

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

#### 3. 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 and the requirements of the Companies Act of South Africa, No. 71 of 2008. 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 company are set out in these annual financial statements.

#### 4. Auditors

J.C. Galbraith continued in office as auditors for the company for 2024.

#### 5. Directors

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

#### **Directors**

T.M. Conibear N. Mpekelana W. Marshall Smith B.L. Ndlovu A. Mhlongo

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

#### 6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **Directors' Report**

#### 7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### 8. 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 directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

#### 9. Statement of disclosure to the company's auditor

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

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

#### 10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on Wednesday, 03 July 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.

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## **Independent Auditor's Report**

#### To the Members of Waves for Change Surf Therapy NPC

#### Opinion

I have audited the annual financial statements of Waves for Change Surf Therapy NPC (the company) set out on pages 8 to 21, which comprise the statement of financial position as at 29 February 2024, 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 Waves for Change Surf Therapy NPC as at 29 February 2024, 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 Companies Act of South Africa, No. 71 of 2008.

#### **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 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 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 directors are responsible for the other information. The other information comprises the information included in the document titled "Waves for Change Surf Therapy NPC annual financial statements for the year ended 29 February 2024", which includes the Directors' Report as required by the Companies Act of South Africa, No. 71 of 2008 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 Directors for the Annual Financial Statements

The directors 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 Companies Act of South Africa, No. 71 of 2008, and for such internal control as the directors 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 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 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.

## **Independent Auditor's Report**

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
  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 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 company 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 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 I identify during my audit.

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

10 July 2024

89 Roodebloem Road Woodstock Cape Town 7925

## Statement of Financial Position as at 29 February 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,343,440	-
Intangible assets	3	338,065	-
		1,681,505	-
Current Assets			
Trade and other receivables	6	3,394,643	-
Other financial assets	4	6,073	-
Prepayments	5	54,772	-
Cash and cash equivalents	7	26,043,916	1,565,503
		29,499,404	1,565,503
Total Assets		31,180,909	1,565,503
Equity and Liabilities			
Equity			
Retained income		10,081,220	(1)
Liabilities			
Current Liabilities			
Trade and other payables	10	748,180	10,000
Other financial liabilities	8	, -	889,443
Deferred income	9	20,351,509	666,061
		21,099,689	1,565,504
Total Equity and Liabilities		31,180,909	1,565,503
Total Equity and Liabilities		31,180,909	1

## **Statement of Comprehensive Income**

Figures in Rand	Note(s)	2024	2023
Grant income	11	35,747,267	3,083,043
Direct programme expenses	12	(25,853,844)	(2,922,667)
Gross surplus		9,893,423	160,376
Other income	13	1,142,858	33,545
Operating expenses	14	(2,216,004)	(193,922)
Operating surplus		8,820,277	(1)
Investment revenue	17	1,260,944	-
Surplus for the year		10,081,221	(1)
Other comprehensive income		-	-
Total comprehensive surplus for the year		10,081,221	(1)

## **Statement of Changes in Equity**

Figures in Rand	Accumulated surplus	Total equity
Deficit for the year Other comprehensive income	(1) -	(1)
Total comprehensive loss for the year	(1)	(1)
Balance at 01 March 2023	(1)	(1)
Profit for the year Other comprehensive income	10,081,221	10,081,221
Total comprehensive income for the year	10,081,221	10,081,221
Balance at 29 February 2024	10,081,220	10,081,220

## **Statement of Cash Flows**

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash receipts from customers Cash paid to suppliers and employees		53,151,517 (26,965,802)	3,126,787 (3,106,590)
Cash generated from operations Interest income	19	26,185,715 1,260,944	20,197 -
Net cash from operating activities		27,446,659	20,197
Cash flows from investing activities			
Purchase of property, plant and equipment Property, plant and equipment received from The Isiqalo Foundation Trust Intangible assets received from The Isiqalo Foundation Trust Purchases of other financial assets	2 2 3	(1,255,339) (464,429) (382,375) (6,073)	- - -
Net cash from investing activities		(2,108,216)	-
Cash flows from financing activities			
Net movement of other financial liabilities		(889,443)	418,079
Total cash movement for the year Cash and cash equivalents at the beginning of the year (Surplus) or deficit on foreign exchange on cash and cash equivalents		<b>24,449,000</b> 1,565,503 29,413	<b>438,276</b> 1,093,681 33,545
Total cash at end of the year	7	26,043,916	1,565,502

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **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, and the Companies Act of South Africa, No. 71 of 2008. 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 did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

#### 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 company 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 company 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 company.

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

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

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.

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **Accounting Policies**

#### 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.

#### 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.

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **Accounting Policies**

#### 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 company 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 Grants

Revenue 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.

Grants or Donations can be received with restrictions around the specific expenses to be used on or the timelines in which they need to be used by. These may come in tranches or become payable on submission of an expenditure report to the funder.

Revenue is recognised when the tranch 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.

#### 1.10 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.

## Waves for Change Surf Therapy NPC (Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

## **Accounting Policies**

#### 1.11 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.

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Annual Financial Statements for the year ended 29 February 2024

### **Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
Figures in Rand	202 <del>4</del>	2023

#### 2. Property, plant and equipment

		2024			2023	
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	451,623	(218,452)	233,171	-	-	-
Containers	451,852	(303,230)	148,622	-	-	-
Motor vehicles	1,785,562	(823,916)	961,646	-	-	-
Office equipment	4,430	(4,429)	1	-	-	-
Total	2,693,467	(1,350,027)	1,343,440	-	-	-

#### Reconciliation of property, plant and equipment - 2024

	Additions	Transfers	Depreciation	Closing balance
Computer equipment	221,507	90,196	(78,532)	233,171
Containers	-	183,278	(34,656)	148,622
Motor vehicles	1,033,832	190,954	(263,140)	961,646
Office equipment		1	-	1
	1,255,339	464,429	(376,328)	1,343,440

#### Details of property, plant and equipment

On the 1st March 2023, associated Non-profit organisation, The Isiqalo Foundation Trust donated all of its assets and discharged all of its liabilities to Waves for Change Surf Therapy NPC.

#### 3. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	445,800	(107,735)	338,065	-	-	

#### Reconciliation of intangible assets - 2024

	Opening balance	Transfers	Amortisation	Closing balance
Website	-	382,375	(44,310)	338,065

#### Details on intangible assets

On the 1st March 2023, associated Non-profit organisation, The Isiqalo Foundation Trust donated all of its assets and discharged all of its liabilities to Waves for Change Surf Therapy NPC.

#### 4. Other financial assets

At amortised cost Teampact (Pty) Ltd Terms and conditions: The loan is unsecured, interest free and has no fixed terms of repayment.	6,073	-
Current assets At amortised cost	6,073	

## **Notes to the Annual Financial Statements**

Figu	res in Rand	2024	2023
5.	Prepayments		
Tele	phone and internet	7,374	_
	rational expenses	47,398	-
		54,772	-
<b>S</b> .	Trade and other receivables		
	le receivables	2,919,338	-
	oloyee costs in advance	270 51,000	-
/AΤ	osits	424,035	-
		3,394,643	-
<b>'</b> .	Cash and cash equivalents		
cash	n and cash equivalents consist of:		
	h on hand	1,514	1 565 502
anı	k balances	26,042,402 26,043,916	1,565,503 <b>1,565,503</b>
			1,000,000
	Other financial liabilities		
he ern	mortised cost Isiqalo Foundation Trust ns and conditions: The loan is unsecured, interest free and is repayable on arterly basis.		889,443
	rent liabilities mortised cost	-	889,443
١.	Deferred income		
	erred income	20,351,509	666,061
	deferred income		
		00 254 500	000 004
urr	ent liabilities	20,351,509	666,061
0.	Trade and other payables		
	le payables	697,460	-
\ccr	rued expense	50,720	10,000
		748,180	10,000
1.	Revenue		
	ations and grants er revenue	27,796,237 7,951,030	3,083,043 -
		35,747,267	3,083,043

## **Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
12. Cost of sales		
12. Cost of sales		
Surf Therapy Direct Programme Costs		
Salaries - Site Managers & Coaches	4,954,359	1,276,409
Salaries - Programme Management	10,104,816	-
Salaries - Youth Development roles	279,710	-
Staff training	564,899	102,096
Equipment	715,997	-
Research	297,388	-
Alive/Wellcome Trust Research (New)	139,765	-
Safeguarding & Child Protection	37,149	-
Transport costs	2,354,977	1,046,427
Food & refreshments	334,904	-
Promotional wear	258,797	-
Events & Marketing	254,708	60,633
International Travel	266,465	-
Other Programme costs	1,266,017	266,227
Mentoring for Senior Coach transition	420,000	-
Diversity, Equity & Inclusion	253,941	
	22,503,892	2,751,792
Partnerships		
Partner app subsidy	360,000	_
5 Pillar Content Design	232,993	_
Flights, Accommodation & Conference	244,748	_
Partnership Feasability Study	240,000	_
Teampact optimisation	400,000	_
Salaries	1,150,477	_
Partner training and materials	658,470	_
Partnership travel	63,264	
·	3,349,952	
	25,853,844	2,751,792
13. Other income		
ETI rebates	79,613	-
Other donations received	1,033,832	_
Profit on exchange differences	29,413	33,545
	1,142,858	33,545

## **Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
14. Operating expenses		
Operating expenses include the following expenses:		
Operating expenses include the following expenses.		
Operating lease charges Premises		
Contractual amounts	165,000	82,500
Depreciation and amortisation	420,638	-
Employee costs	163,494	
15. Employee cost		
Employee costs		
Medical aid - company contributions	163,494	
16. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment	376,328	
Amortisation Intangible assets	44,310	
miangible assets	44,310	
Total depreciation, amortisation and impairments		
Depreciation Amortisation	376,328 44,310	-
, and addition	420,638	-
17. Investment revenue		
Interest revenue Bank	1,260,944	-

- within one year

### **Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
18. Taxation		
Major components of the tax expense		
Reconciliation of the tax expense		
Accounting surplus (deficit)	10,081,221	(1
Tax at the applicable tax rate of 27% (2023: 28%)	2,721,930	
Γax effect of adjustments on taxable income	, ,	
Exempt income		
Donations and grants received	(9,960,334)	(872,645
	(9,960,334)	(872,645
Other		
Expenses incurred in the production of exempt income	7,238,404	872,645
	7,238,404	872,645
	-	-
Public Benefit Organisation in terms of Section 30 of the Income Tax Act. exempt in terms of Section 10(1)(cN) of the Income Tax Act.  19. Cash generated from operations		
Net profit before taxation	10,081,221	_
Adjustments for:	. 5,55.,==.	
Depreciation and amortisation	420,638	
Profit on foreign exchange differences	(29,413)	
nvestment income Changes in working capital:	(1,260,944)	(33,545
Frade and other receivables		(33,545
Prepayments	(3.394.643)	(33,545
	(3,394,643) (54,772)	(33,545
	(54,772) 738,179	- - - 18,120
	(54,772)	18,120
	(54,772) 738,179	18,120 43,744
Deferred income	(54,772) 738,179 19,685,448	(33,545 - - 18,120 43,744 <b>28,319</b>
Deferred income  20. Commitments	(54,772) 738,179 19,685,448	18,120 43,744
Trade and other payables Deferred income  20. Commitments Operating leases – as lessee (expense) Minimum lease payments due	(54,772) 738,179 19,685,448	18,120 43,744

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

165,000

135,000

(Registration number: 2021/396273/08)

Annual Financial Statements for the year ended 29 February 2024

### **Notes to the Annual Financial Statements**

Figures in Rand 2024 2023

#### 21. Related parties

Relationships

Directors
Entity with associated key management

Refer to Directors' Report
The Isigalo Foundation Trust

#### Related party balances and transactions with other related parties

#### Related party balances

Loan accounts - Owing (to) by related parties

The Isiqalo Foundation Trust - (889,443)

#### Related party transactions

**Donations** 

The Isiqalo Foundation trust (7,951,030)

#### 22. Directors' and prescribed officer's remuneration

#### **Executive**

2024

Directors' emoluments Basic salary Contributions Total

paid under pension scheme

Services as director or prescribed officer

T.M. Conibear 1,258,944 40,916 1,299,860

#### 23. 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 directors believe that the company 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 directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors 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 company.

#### 24. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## **Detailed Income Statement**

Figures in Rand	Note(s)	2024	2023
Revenue			
Donation		7,951,030	_
Grants and donations		27,796,237	3,083,043
	11	35,747,267	3,083,043
Cost of sales			
Direct programme expenses		(25,853,844)	(2,922,667)
Gross profit		9,893,423	160,376
Other income			
ETI rebates		79,613	-
Other income		1,033,832	-
Profit on exchange differences		29,413	33,545
		1,142,858	33,545
Operating expenses			
Amortisation		44,310	_
Audit, Tax and Legal Advice		99,469	30,863
Bank charges		47,353	4,223
Computer expenses		-	5,005
Depreciation		376,328	-
HR Consulting fees		76,665	-
Health insurance		163,494	-
Insurances		82,862	-
Office Rent		165,000	82,500
Office Telephone & Internet		164,545	18,571
Office Transport Claims		30,559	-
Office cleaning and Maintanance		61,711	11,000
Office food & refreshments		45,416	-
Office utilities & Supplies		72,956	3,263
POPIA/Bizoneo		28,254	-
Provident fund		359,501	38,497
SH Vehicle repairs & maint & Fuel		55,485	-
Storage & parking		77,996	-
VAT Redirect		264,100	
		2,216,004	193,922
Operating profit (loss)		8,820,277	(1)
Investment income	17	1,260,944	
Profit (loss) for the year		10,081,221	(1)