

**RURAL DEVELOPMENT SUPPORT PROGRAM  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**RURAL DEVELOPMENT SUPPORT PROGRAM**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**GENERAL INFORMATION**

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<b>ORGANISATION REGISTRATION NUMBER</b>	010-190NPO
<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Involved in various projects to uplift the community
<b>MEMBERS OF MANAGEMENT BOARD</b>	G Berry (Chairman) K Shikwambana (Vice Chairperson) FEA Stafford (Treasurer) M Petersen (Secretary) R Shields (Secretary) S Brislin P Davids C O'Brien
<b>REGISTERED OFFICE</b>	Cathedral Place 12 Bouquet Street Cape Town 8001
<b>BUSINESS ADDRESS</b>	Cathedral Place 12 Bouquet Street Cape Town 8001
<b>POSTAL ADDRESS</b>	Cathedral Place 12 Bouquet Street Cape Town 8001
<b>BANKERS</b>	Standard Bank of South Africa Limited
<b>AUDITORS</b>	MGI Bass Gordon Registered Auditors Chartered Accountants (SA)

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

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## INDEPENDENT AUDITORS' REPORT

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### TO THE MANAGEMENT BOARD OF RURAL DEVELOPMENT SUPPORT PROGRAM

#### Qualified Opinion

We have audited the annual financial statements of Rural Development Support Program as set out on pages 8 to 13, which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, and statement of changes in funds for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present, in all material respects, the financial position of Rural Development Support Program as at 31 December 2020, and its financial performance for the year then ended in accordance with basis of accounting as set out in note 1 to the annual financial statements.

#### Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over collections from donations income prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw attention to note 1 to the annual financial statements, which sets out the basis of accounting. The annual financial statements are prepared in accordance with the organisation's own accounting policies for the purpose of providing financial information to the management board of the organisation. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other Information

The management board is responsible for the other information. The other information comprises the information included in the document titled "Rural Development Support Program Annual Financial Statements for the year ended 31 December 2020", which includes the management board's report. The other information does not include the annual financial statements and our auditors' report thereon.

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

In connection with our audit of the annual financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT**

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### **Responsibilities of the Management Board for the Annual Financial Statements**

The management board is responsible for the preparation and presentation of the annual financial statements in accordance with the basis of accounting as set out in note 1 to the annual financial statements, and for such internal control as the management board determines 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 management board is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless the management board either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Annual Financial Statements**

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Conclude on the appropriateness of the management board's 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organisation 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 present the underlying transactions and events in a manner that achieves reasonable presentation.

We communicate with the management board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT**

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MGI BASS GORDON

**MGI BASS GORDON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS (SA)**

**PARTNER: IVAN BARRY POGRUND  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANT (SA)**

**CAPE TOWN  
DATE: 30 MARCH 2021**

**RURAL DEVELOPMENT SUPPORT PROGRAM  
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**MANAGEMENT BOARD'S RESPONSIBILITIES AND APPROVAL**

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The management board is required to maintain adequate accounting records and is 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 present the state of affairs of the organisation as at the end of the financial year and the results of its operations for the year then ended, in conformity with the basis of accounting as set out in note 1 to the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in note 1 to the annual financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The management board acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable the management board to meet these responsibilities, the management board 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

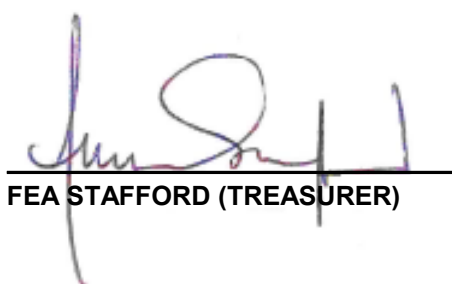
The management board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The management board is aware of the organisation's tight cash flow situation at present as this was presented at the management board meeting in February 2021 but there is a positive outlook for the year. With this in mind, they are satisfied that the organisation has adequate resources to continue through 2021.

The annual financial statements as set out on pages 8 to 14, which have been prepared on the going concern basis, were approved and signed by:



**G BERRY (CHAIRMAN)**



**FEA STAFFORD (TREASURER)**

CAPE TOWN  
DATE: \_\_\_\_\_

29/3/2021

**RURAL DEVELOPMENT SUPPORT PROGRAM**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
**MANAGEMENT BOARD'S REPORT**

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The management board has pleasure in submitting their report on the annual financial statements of Rural Development Support Program for the year ended 31 December 2020.

**1. NATURE OF BUSINESS**

Rural Development Support Program was incorporated in South Africa and is involved in various projects to uplift the community. The organisation operates in South Africa.

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

**2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

The annual financial statements have been prepared in accordance with the entity specific basis of accounting. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position and results of operations of the organisation are set out in these annual financial statements.

**3. EVENTS AFTER THE REPORTING PERIOD**

The management board are not aware of any matters or circumstances of a material nature arising between the accounting date and the date of this report, which significantly affect the financial position of the company or the results of its operations.

**4. MANAGEMENT BOARD**

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

**Management Board**

G Berry (Chairman)

K Shikwambana (Vice  
Chairperson)

FEA Stafford (Treasurer)

M Petersen (Secretary) Retrenched Friday, 31 July 2020

R Shields (Secretary)

S Brislin

P Davids

M Lack Resigned Wednesday, 01 January 2020

N Nkayi Resigned Wednesday, 01 January 2020

C O'Brien

**5. GOING CONCERN**

Within the context of the current pandemic (COVID - 19), the global picture remains uncertain and is evolving rapidly. At this stage, it is difficult to measure the consequences in 2020 on business activity. Management has considered the current cash position and forecasts and based on this assessment, the organisation will be able to service its obligations for the foreseeable future.



**RURAL DEVELOPMENT SUPPORT PROGRAM**  
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**STATEMENT OF FINANCIAL POSITION**

	Notes	2020 R	2019 R
<b>ASSETS</b>			
<b>Current Assets</b>			
Accounts receivable	2	11 484	11 006
Cash and cash equivalents	3	632 322	378 614
		<u>643 806</u>	<u>389 620</u>
<b>Total Assets</b>		<u>643 806</u>	<u>389 620</u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Accumulated funds		<u>177 244</u>	<u>16 295</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	4	26 087	25 439
Grants received in advance	5	440 475	347 886
		<u>466 562</u>	<u>373 325</u>
<b>Total Funds and Liabilities</b>		<u>643 806</u>	<u>389 620</u>

**RURAL DEVELOPMENT SUPPORT PROGRAM**  
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**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2020 R	2019 R
Revenue	6	1 732 747	2 028 627
Other income	7	149 610	26 534
Operating expenses		(1 725 893)	(2 048 426)
<b>Operating surplus</b>		<b>156 464</b>	<b>6 735</b>
Interest received	8	4 485	6 904
<b>Surplus for the year</b>		<b>160 949</b>	<b>13 639</b>

**RURAL DEVELOPMENT SUPPORT PROGRAM**  
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**STATEMENT OF CHANGES IN FUNDS**

	Accumulated funds R	Total funds R
<b>Balance at 01 January 2019</b>	<b>2 656</b>	<b>2 656</b>
Surplus for the year	13 639	13 639
<b>Balance at 01 January 2020</b>	<b>16 295</b>	<b>16 295</b>
Surplus for the year	160 949	160 949
<b>Balance at 31 December 2020</b>	<b>177 244</b>	<b>177 244</b>

## **RURAL DEVELOPMENT SUPPORT PROGRAM ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **ACCOUNTING POLICIES**

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#### **1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis.

These accounting policies are consistent with the previous year.

We emphasise that the basis of accounting and presentation of disclosures contained in the annual financial statements are not intended to and do not comply with the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities.

##### **1.1 EQUIPMENT**

All fixed assets are written off in the year of acquisition. A fixed asset register is available for inspection.

##### **1.2 FINANCIAL INSTRUMENTS**

###### **Initial measurement**

Financial instruments are initially measured at the transaction price.

###### **Accounts receivables**

Accounts receivable are measured at initial recognition at fair value and appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivables are impaired.

###### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

###### **Accounts payables**

Accounts payable are recognised at cost, comprising original debt less principal payments.

###### **Loans receivable and payable**

Loans receivable and payable are recognised initially and subsequently at cost.

##### **1.3 GRANTS RECEIVED IN ADVANCE**

These are specific grants where the duration of the contracts fall outside the organisation's financial year, the unspent balances of which are deferred to the next year.

##### **1.4 REVENUE**

Revenue comprises grants received, building capacity fees received and income from investments, less balances accrued through grants received in advance.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2020 R	2019 R
<b>2. ACCOUNTS RECEIVABLE</b>		
Trade receivables	3 723	-
Prepayments	3 836	3 795
Value Added Taxation	3 925	7 211
	<b>11 484</b>	<b>11 006</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Bank balances	632 249	376 568
Cash on hand	73	2 046
	<b>632 322</b>	<b>378 614</b>
<b>4. ACCOUNTS PAYABLE</b>		
Trade payables	26 087	25 439
<b>5. GRANTS RECEIVED IN ADVANCE</b>		
DG Murray Trust	220 700	-
Misereor KZE	219 775	144 941
Missio Aachen	-	131 109
Sibona Illanga Trust	-	71 836
	<b>440 475</b>	<b>347 886</b>
<b>6. REVENUE</b>		
Grants and capacity building fees received	1 732 747	2 028 627
Grants received in advance at beginning of year	347 886	432 847
Ann Kreitzer Will Trust	60 000	60 000
Capacity Building Fees	53 035	88 385
DG Murray Trust	220 700	-
Elex Khanyisa	75 000	-
Geodgedacht Trust	-	44 780
Italian Bishops Conference	-	144 887
Misereor KZE (2017-2020)	-	870 405
Misereor KZE (2020-2022)	860 901	-
Misereor Relief fund	81 101	-
Missio Aachen	-	305 903
Other Donations	90 399	2 350
SACBC Lenten Fund	125 000	125 000
SANCA	-	34 900
Sibona Illanga Trust	250 200	250 200
St Kizito Children's Program	-	16 856
Witzenberg Justice Coaliti	9 000	-
Less: Grants received in advance at end of the year	(440 475)	(347 886)
	<b>1 732 747</b>	<b>2 028 627</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2020 R	2019 R
<b>7. OTHER INCOME</b>		
Administration and management fees received	-	7 274
COVID - 19 TERS	137 775	-
Fund raising - Global Giving	8 598	19 260
Profit on sale of asset	3 237	-
	<u>149 610</u>	<u>26 534</u>
<b>8. INTEREST RECEIVED</b>		
<b>Interest received</b>		
Bank	<u>4 485</u>	<u>6 904</u>
<b>9. TAXATION</b>		
No provision has been made for 2020 taxation as the organisation is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act.		
<b>10. AUDITORS' REMUNERATION</b>		
Fees	<u>87 160</u>	<u>50 000</u>

**11. GOING CONCERN**

Within the context of the current pandemic (COVID-19), the global picture remains uncertain and is evolving rapidly. At this stage, it is difficult to measure the consequences in 2020 on business activity. Management has considered the current cash position and forecasts and based on this assessment, the organisation will be able to service its obligations for the foreseeable future.

**RURAL DEVELOPMENT SUPPORT PROGRAM**  
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**DETAILED INCOME STATEMENT**

	Notes	2020 R	2019 R
<b>REVENUE</b>			
Grants and capacity building fees received	6	1 732 747	2 028 627
<b>OTHER INCOME</b>			
COVID-19 TERS		137 775	-
Fund raising - Global Giving		8 598	19 260
Insurance claim		-	7 274
Interest received	8	4 485	6 904
Profit on sale of asset		3 237	-
		<b>154 095</b>	<b>33 438</b>
<b>EXPENSES</b>			
Accommodation and food		(134 886)	(216 877)
Auditors' remuneration	10	(87 160)	(50 000)
Bank charges		(16 328)	(18 184)
Community based support		(130 672)	-
Computer expenses		(12 438)	(3 589)
Depreciation		(6 956)	-
Evaluation		-	(53 003)
Fundraising expenses		(15)	(4 625)
Insurance		(2 003)	(1 982)
Lease rentals and maintenance		(88 556)	(105 222)
Meetings and seminars		(1 308)	(2 681)
Printing and stationery		(1 819)	(6 266)
Program transport		(41 757)	(94 032)
Salaries		(1 071 245)	(1 259 999)
Specialised services		(36 050)	(91 225)
Staff development		(6 074)	(48 577)
Telecommunications and postage		(37 580)	(61 749)
Training material		(51 046)	(30 415)
		<b>(1 725 893)</b>	<b>(2 048 426)</b>
<b>Surplus before transfer from sustainability fund and accumulated funds</b>		<b>160 949</b>	<b>13 639</b>
Transfer from sustainability fund and accumulated funds		-	-
<b>Surplus for the year</b>		<b>160 949</b>	<b>13 639</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.