

**RURAL DEVELOPMENT SUPPORT PROGRAM
(REGISTRATION NUMBER 010-190 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Involved in various projects to uplift the community
MANAGEMENT BOARD	K Shikwambana G Berry K Soderlund R Shields T Arendse C O'Brien S Davids
REGISTERED OFFICE	Cathedral Place 12 Bouquet Street Cape Town 8001
BANKERS	Standard Bank of South Africa
AUDITORS	HG Chartered Accountants Chartered Accountants (SA) Registered Auditors
SECRETARY	R Shields
COMPANY REGISTRATION NUMBER	010-190 NPO
TAX REFERENCE NUMBER	9269820156
PBO NUMBER	93 000 1418
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisations Act No. 71 of 1997.
PREPARER	The annual financial statements were independently compiled by: M Fourie AGA(SA)

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LEVEL OF ASSURANCE

These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisations Act No. 71 of 1997.

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MANAGEMENT BOARD'S RESPONSIBILITIES AND APPROVAL

The management board is required by the Non-Profit Organisations Act No. 71 of 1997, 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 fairly present the state of affairs of the organisation 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 management board acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the management board to meet these responsibilities, the International Financial Reporting Standard for Small and Medium-sized Entities 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.

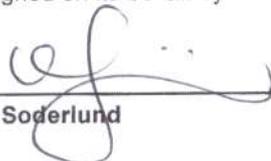
The management board has reviewed the organisation's cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the organisation has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on page 5 - 6.

The annual financial statements set out on pages 7 to 12, which have been prepared on the going concern basis, were approved by the management board and were signed on its behalf by:



K Shikwambana



K Soderlund

Date: 15 / 5 / 2024

Place: CAPE TOWN

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MANAGEMENT BOARD'S REPORT**

The management board have pleasure in submitting their report on the annual financial statements of Rural Development Support Program for the year ended 31 December 2023.

1. NATURE OF BUSINESS

Rural Development Support Program was incorporated in South Africa with interests in the non-profit industry 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act No. 71 of 1997. 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 organisation are set out in these annual financial statements.

3. MANAGEMENT BOARD

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

K Shikwambana	Chairperson
G Berry	Vice Chairperson
K Soderlund	Treasurer
R Shields	Secretary
T Arendse	Member
C O'Brien	Member
S Davids	Bishop

4. EVENTS AFTER THE REPORTING PERIOD

The management board is not aware of any material event which occurred after the reporting date and up to the date of this report.

5. 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.

6. AUDITORS

HG Chartered Accountants were the auditors for the organisation for 2023.

At the AGM, the management board will be requested to reappoint HG Chartered Accountants as the independent external auditors of the organisation.

INDEPENDENT AUDITOR'S REPORT

To the Management Board of Rural Development Support Program

Qualified Opinion

We have audited the annual financial statements of Rural Development Support Program set out on pages 8 to 13, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income and statement of changes in equity 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 fairly, in all material respects, the financial position of Rural Development Support Program as at 31 December 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 No. 71 of 1997.

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 (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Annual Financial Statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3, 4A and 4B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2023", which includes the Management Board's Report as required by the Non-Profit Organisations Act No. 71 of 1997 and the supplementary information as set out on page 14. The other information does not include the annual financial statements and our auditor's 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 AUDITOR'S REPORT

Responsibilities of the Directors for the Annual Financial Statements

The management board is 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 No. 71 of 1997, and for such internal control as the management board 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 management board is responsible for assessing the organisation'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 management board either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 auditor's 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 auditor's 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 represent the underlying transactions and events in a manner that achieves fair 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.

HG CHARTERED ACCOUNTANTS
HG Chartered Accountants
Chartered Accountants (SA)
Per: Francois Adams
Partner
Registered Auditor

Date: 15 / 5 / 2024
Durbanville

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Rand	Notes	2023	2022
ASSETS			
CURRENT ASSETS			
Trade and other receivables	2	244,733	17,592
Cash and cash equivalents	3	1,245,567	1,438,207
		<u>1,490,300</u>	<u>1,455,799</u>
Total Assets		<u>1,490,300</u>	<u>1,455,799</u>
EQUITY AND LIABILITIES			
EQUITY			
Accumulated surplus		412,332	93,128
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	306,465	825
Deferred income	5	771,503	1,361,846
		<u>1,077,968</u>	<u>1,362,671</u>
Total Equity and Liabilities		<u>1,490,300</u>	<u>1,455,799</u>

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2023	2022
Revenue	6	6,008,614	1,719,729
Other income		26,070	17,857
Operating expenses		(5,800,968)	(1,928,919)
Operating surplus / (deficit)		233,716	(191,333)
Investment revenue	8	85,488	9,205
Surplus / (deficit) for the year		319,204	(182,128)

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2022	275,256	275,256
Deficit for the year	(182,128)	(182,128)
Balance at 01 January 2023	93,128	93,128
Surplus for the year	319,204	319,204
Balance at 31 December 2023	412,332	412,332

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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 Non-Profit Organisations Act No. 71 of 1997. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 FINANCIAL INSTRUMENTS

Initial measurement

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

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. 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 profit or loss.

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.

1.2 TAX

The organisation is a public benefit organisation (PBO) and is exempt from normal tax subject to the basic exemption threshold as set out in s10(1)(cN) of the Income Tax Act (the Act).

1.3 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.

1.4 REVENUE

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022
2. TRADE AND OTHER RECEIVABLES		
Grants receivable	216,903	-
Prepayments	1,120	3,682
Trade receivables	6,383	1,920
Value Added Tax	20,327	11,990
	244,733	17,592
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	1,243,161	1,438,020
Cash on hand	2,406	187
	1,245,567	1,438,207
4. TRADE AND OTHER PAYABLES		
Trade payables	306,465	825
5. DEFERRED INCOME		
DG Murray Trust	271,447	383,280
Misereor KZE	-	184,228
NLC	345,694	-
Papal Foundation	154,362	794,338
	771,503	1,361,846
6. REVENUE		
Grants and capacity building fees received	6,008,614	1,719,729
	-	-
Grants received in advance at the beginning of the year	1,361,846	216,367
Ann Kreitzer Will Trust	60,000	60,000
Capacity Building Fees	107,304	49,690
DG Murray Trust	3,589,343	624,300
DOCKDA	-	268,358
Lifeline N C	-	40,120
Mary Lack Community Grant Programme	80,634	58,650
Misereor KZE	1,066,177	1,078,243
National Lotteries Commission	464,800	-
Other donations	13	5,175
Papal Foundation	-	577,972
SACBC Lenten Fund	50,000	50,000
SANCA WC	-	10,700
Sibona Illanga Trust	-	42,000
Less: Grants received in advance at the end of the year	(771,503)	(1,361,846)
	6,008,614	1,719,729

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Figures in Rand	2023	2022
7. AUDITOR'S REMUNERATION		
Fees	119,000	102,300
8. INVESTMENT REVENUE		
INTEREST REVENUE		
Bank	85,488	9,205

9. TAXATION

No provision has been made for 2023 tax as the organisation is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.

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DETAILED INCOME STATEMENT

Figures in Rand	Notes	2023	2022
REVENUE			
Grants and capacity building fees received		6,008,614	1,719,729
OTHER INCOME			
DG Murray Trust campaign income		-	3,000
Fund raising - Global Giving		4,505	8,857
Gains on disposal of assets		696	6,000
Recoveries		14,950	-
Ucount rewards		5,919	-
		26,070	17,857
OPERATING EXPENSES			
Accommodation and food		(1,050,824)	(200,046)
Auditor's remuneration	7	(119,000)	(102,300)
Bad debts		(870)	-
Bank charges		(19,006)	(15,838)
Community based support		(103,327)	(25,000)
Computer expenses		(7,276)	(8,475)
Depreciation		(10,693)	-
Employee costs		(1,430,601)	(1,027,307)
Fuel costs		(7,650)	-
Fundraising expenses		(1,630)	(2,564)
Insurance		(1,841)	(2,142)
Lease rentals on operating lease		(155,684)	(38,937)
Meetings and seminars		(4,954)	(8,726)
Printing and stationery		(4,737)	(1,932)
Program transport		(614,191)	(189,098)
Specialised services		(2,084,194)	(216,131)
Staff development		(5,967)	(14,477)
Telecommunications and postage		(52,996)	(37,256)
Training material		(125,527)	(38,690)
		(5,800,968)	(1,928,919)
Operating surplus / (deficit)		233,716	(191,333)
Investment income	8	85,488	9,205
Surplus / (deficit) for the year		319,204	(182,128)