

**The Muscular Dystrophy Foundation Cape
(Registration number 115/263 NPO)
Annual Financial Statements
for the year ended 31 March 2021**

Sprigg Abbott Incorporated
Chartered Accountants (SA)
Registered Auditors
Issued 17 September 2021

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

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The reports and statements set out below comprise the Annual Financial Statements presented to the committee members:

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SPRIGG ABBOTT INCORPORATED

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

Independent Auditor's Report

To the committee members of The Muscular Dystrophy Foundation Cape

Qualified Opinion

We have audited the Annual Financial Statements of The Muscular Dystrophy Foundation Cape (the Foundation) set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2021, 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 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 of The Muscular Dystrophy Foundation Cape for the year ended 31 March 2021 are prepared, in all material respects, in accordance with the basis of accounting as described in note 1 to the Annual Financial Statements to the Annual Financial Statements and the requirements of the Non Profit Organisations Act of 1997.

Basis for Qualified Opinion

In common with similar organisation, it is not feasible for the Foundation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable 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 Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Foundation 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 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The committee members are responsible for the other information. The other information comprises the information included in the document titled "The Muscular Dystrophy Foundation Cape Annual Financial Statements for the year ended 31 March 2021", which includes the Committee Members' Report and the supplementary information as set out on page 13, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 and will 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 on the other information obtained prior to the date of this auditor's report, 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.

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Directors: DM Barnes CA(SA); M Mulder B Acc, B Compt(Hons), CA(SA)

Consultant: PJ Chong B Com(Hons), CA(SA)

Assisted by: RE Norman B Com, CTA; JJ Smith B Econ

Registration Number: 2003/023087/21



Independent Auditor's Report

Committee members' responsibility for the Annual Financial Statements

The committee members are responsible for the preparation of the Annual Financial Statements in accordance with the basis of accounting as described in note 1 to the Annual Financial Statements to the Annual Financial Statements and the requirements of the Non Profit Organisations Act of 1997, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the committee members 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 committee members are responsible for assessing the Foundation'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 committee members either intend to liquidate the Foundation 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 close corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation'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 foundation to cease to continue as a going concern.

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

Sprigg Abbott Incorporated
Director: Marike Mulder
Chartered Accountants (SA)
Registered Auditor

17 September 2021
Milnerton

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Committee Members' Report

The committee submits their report for the year ended 31 March 2021.

1. Review of activities

Main business and operations

2. Committee members

The committee members of the foundation during the year and to the date of this report are as follows:

Member	Portfolio
W van der Berg	Chairperson
G Van Der Merwe	Vice chairperson
S Narshi	
A Stoman	Treasurer
A Williams	
P Resha	
L Leith	Secretary
C Williams	

3. Auditors

Sprigg Abbott Incorporated will continue in office for the next financial period.

The Annual Financial Statements set out on page 5, which have been prepared on the going concern basis, were approved by the board on 17 September 2021, and were signed on its behalf by:

W van der Berg
Chairperson

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	629 990	645 231
Current Assets			
Cash and cash equivalents	3	1 344 232	2 072 937
Total Assets		1 974 222	2 718 168
Equity and Liabilities			
Funds			
Accumulated funds		1 969 327	2 718 168
Liabilities			
Current Liabilities			
Trade and other payables		4 895	-
Total Equity and Liabilities		1 974 222	2 718 168

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Receipts sundry fundraising		4 523	11 428
Other income		737 170	1 886 831
Operating expenses	4	(1 570 605)	(1 167 267)
Operating (deficit)/surplus		(828 912)	730 992
Investment revenue		80 071	92 398
(Deficit)/Surplus transferred to accumulated funds		(748 841)	823 390

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Equity

Figures in Rand	Accumulated funds	Total equity
Balance at 01 April 2019	1 894 778	1 894 778
Surplus for the year	823 390	823 390
Balance at 01 April 2020	2 718 168	2 718 168
Deficit for the year	(748 841)	(748 841)
Balance at 31 March 2021	1 969 327	1 969 327

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Cash (used in) generated from operations	6	(808 776)	749 476
Interest income		80 071	92 398
Net cash from operating activities		(728 705)	841 874
Total cash movement for the year		(728 705)	841 874
Cash at the beginning of the year		2 072 937	1 231 063
Total cash at end of the year	3	1 344 232	2 072 937

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

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 accounting policies as set out below. The Annual Financial Statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

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 close corporation.

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	5 years
Computer software	Straight line	2 years
Furniture and fittings	Straight line	5 years
Motor vehicles	Straight line	5 years
Air-conditioners	Straight line	5 years
Office equipment	Straight line	5 years
Other Assets	Straight line	5 years

No depreciation is provided on the property as the residual value is expected to exceed the cost.

It is also to policy of the Foundation to expense any wheelchairs acquired in the year of acquisition.

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

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

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

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.2 Revenue recognition

Donations are brought into account as they are received.

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

1.3 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.4 Expenses

Expenses are accounted for when paid.

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

2021 2020

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Property	628 483	-	628 483	628 483	-	628 483
Furniture and fittings	42 674	(42 593)	81	42 674	(41 441)	1 233
Office equipment	43 853	(43 843)	10	43 853	(36 520)	7 333
Computer equipment	76 465	(75 054)	1 411	76 465	(69 074)	7 391
Computer software	12 720	(12 716)	4	12 720	(12 716)	4
Other Assets	10 683	(10 682)	1	10 683	(9 896)	787
Total	814 878	(184 888)	629 990	814 878	(169 647)	645 231

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Property	628 483	-	628 483
Furniture and fittings	1 233	(1 151)	82
Office equipment	7 333	(7 322)	11
Computer equipment	7 391	(5 979)	1 412
Computer software	4	-	4
Other Assets	787	(785)	2
	645 231	(15 237)	629 994

Details of properties

The major asset of the foundation is a 496 square feet property (Erf 7299) in Goodwood, situated at 3 Wiener Street, Vasco Estate

- Purchase price		
- Pallisade fence 2013	527 308	527 308
- Capitalised expenditure	28 093	28 093
	73 082	73 082
	628 483	628 483

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 892	122
Current and savings accounts	1 342 340	972 815
Fixed deposit account	-	1 100 000
	1 344 232	2 072 937

4. Other income

Donations	9 315	40 006
Funds - Department of Social Services	727 855	709 210
Other Funds	-	1 044
Lotto grant	-	1 136 571
	737 170	1 886 831

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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5. Taxation

No provision has been made for 2021 tax as the foundation has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act ("the Act"), and the receipts and accruals are exempt from income tax in terms of section 10 (1)(cN) of the Act.

6. Cash (used in) generated from operations

(Loss) profit before taxation	(748 841)	823 390
Adjustments for:		
Depreciation and amortisation	15 239	18 484
Interest received	(80 071)	(92 398)
Changes in working capital:		
Trade and other payables	4 897	-
	(808 776)	749 476

The Muscular Dystrophy Foundation Cape

Annual Financial Statements for the year ended 31 March 2021

Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
Sundry fundraising receipts		4 523	11 428
Other income			
Donations		9 315	40 006
Department of Social Services		727 855	709 210
Sundry Income		-	1 044
Lotto - Grant		-	1 136 571
		737 170	1 886 831
Operating expenses			
Accounting Fees		(16 445)	(14 950)
Adult support group, workshop & meetings		(372)	(3 251)
Awareness Programme		(4 144)	(5 402)
Cleaning		(2 315)	(794)
Computer expenses		(2 451)	(2 278)
Consulting and professional fees		(14 490)	(19 412)
Depreciation, amortisation and impairments		(15 239)	(18 484)
Duchene support - further studies		-	(80)
Employee costs		(545 434)	(665 859)
Entertainment		(892)	(7 464)
General expenses		(1 170)	(465)
Gifts		(3 400)	(8 536)
Honorarium		(33 000)	(36 000)
Legal expenses		-	(6 168)
Licence Renewals		(17 470)	(18 506)
Licence Renewals		-	(1 009)
Maintenance - premises		(1 150)	(185 434)
Maintenance - wheelchair		(24 814)	(35 218)
Postage		(12)	(209)
Printing and stationery		(6 985)	(22 410)
Staff welfare		(1 700)	(2 952)
Subscriptions		(200)	(200)
Sundry Expense		(1 639)	(23 825)
Security		(9 918)	(9 590)
Telephone, cellphone and telefax		(46 985)	(51 513)
Training		-	(80)
Travelling		-	(22 571)
Utilities		(14 170)	(4 431)
Wheelchair Equipment		(806 210)	(176)
		(1 570 605)	(1 167 267)
Net operating (deficit)/surplus for the year		(828 912)	730 992
Investment income		80 071	92 398
(Deficit)/Surplus transferred to accumulated funds		(748 841)	823 390