

Covid Comms NPO
(Registration number 252-757 NPO)
Annual financial statements
for the year ended 28 February 2022

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	CovidComms SA is a network of communications volunteers working alongside the government and others to produce and distribute accurate and helpful information on the Covid-19 outbreak in SA.
Directors	Lydall, David Edward Vick, Christopher Dooms, Tessa Gilda Arnold, Razaana Mpulo, Nontsikelelo Lucille Miller, Tracey Lee
Registered office	14 Colinton Road Blairgowrie Johannesburg Gauteng 2194
Business address	63a 1st Avenue East Parktown North Johannesburg Gauteng 2193
Postal address	PO Box 131037 Bryanston Johannesburg Gauteng 2021
Bankers	First National Bank
Reviewers	NUE Chartered Accountants and Registered Auditors Incorporated
Company registration number	252-757 NPO
Public benefit organisation number	930073548
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: Varsha Gandhi
Website	Covidcomms.org.za

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Index

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

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4
Independent Reviewer's Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12
Detailed Income Statement	13 - 14

Level of assurance

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

Varsha Gandhi

Published

20 January 2023

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 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 board of directors 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 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 2023 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 independent reviewer is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewer and their report is presented on page 5.

The annual financial statements set out on pages 6 to 12, which have been prepared on the going concern basis, were approved by the board of directors on 20 January 2023 and were signed on its behalf by:

Approval of annual financial statements



Lydall, David Edward

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Directors' Report

The board of directors present its report, together with the independently reviewed financial statements of the company for the financial year ended 28 February 2022.

1. Nature of business

CovidComms SA is a network of communications volunteers working alongside the government and others to produce and distribute accurate and helpful information on the Covid-19 outbreak in SA.

2. Results

The results for the year are fully disclosed in the attached financial statements.

3. Directors

The following directors served during the year under review:

Directors	Office	Designation
Lydall, David Edward	Executive	Executive
Vick, Christopher	Chairperson	Executive
Dooms, Tessa Gilda	General	Non-executive
Arnold, Razaana	Deputy Chairperson	Executive
Mpulo, Nontsikelelo Lucille	General	Non-executive
Miller, Tracey Lee	General	Non-executive

4. Events after the reporting period

No material fact or circumstance has occurred between the financial position date and the date of the independent review report.

5. REVIEW

The annual financial statements are subject to an independent review and have been reviewed by NUE Chartered Accountants & Registered Auditors Incorporated..

The annual financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the board of directors on 20 January 2023, and were signed on its behalf by:

Approval of annual financial statements



Lydall, David Edward
Executive
Friday, 20 January 2023

Independent Reviewer's Report

To the Directors of Covid Comms NPO

We have reviewed the annual financial statements of Covid Comms NPO, set out on pages 6 to 12, which comprise:

- the statement of financial position as at 28 February 2022,
- the statement of comprehensive income;
- statement of changes in equity;
- statement of cash flows for the year then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) and the requirements of the Companies Act of South Africa, and for such internal controls as the directors determine is necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer Responsibility

Our responsibility is to express a conclusion on these annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), engagements to review annual financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the annual financial statements in accordance with ISRE 2400 (Revised) consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the annual financial statements as a whole may be materially misstated.

We believe that the evidence we have obtained in our view is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Unmodified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of Covid Comms NPO as at 28 February 2022, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) and the requirements of the Companies Act 71 of 2008.

Andy Ntubisi Emeforonu CA (SA), RA

Director: N.U.E Chartered Accountants and Registered Auditors Inc.

Registered Chartered Accountant and Registered Auditor

Date: 20 January 2023.

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Statement of Financial Position as at 28 February 2022

Figures in Rand	Note(s)	2022
Assets		
Current Assets		
Cash and cash equivalents	2	1,226,441
Total Assets		1,226,441
Equity and Liabilities		
Equity		
Retained income		1,226,441
Total Equity and Liabilities		1,226,441

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022
Income	3	7,613,811
Operating expenses		(6,387,370)
Operating surplus		1,226,441
Surplus for the year		1,226,441
Other comprehensive income		-
Total comprehensive income for the year		1,226,441

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Surplus for the year	1,226,441	1,226,441
Other comprehensive income	-	-
Total comprehensive income for the year	1,226,441	1,226,441
Balance at 28 February 2022	1,226,441	1,226,441

Note(s)

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022
Cash flows from operating activities		
Cash generated from operations	4	<u>1,226,441</u>
Total cash movement for the year		<u>1,226,441</u>
Total cash at end of the year	2	<u>1,226,441</u>

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

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. The annual financial statements have been prepared on the historical cost basis, except for financial instruments, and incorporate the principal accounting policies set out below.

1.1 Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

1.2 Financial instruments

Measurement

Financial instruments carried on the statement of financial position include bank balances, accounts receivable and accounts payable. Financial instruments are initially measured at cost as at trade date, which includes transaction costs. Subsequent to initial recognition, the following instruments are measured as set out below :

Investments

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are re-measured at fair value through profit and loss statement.

Accounts receivable

Accounts receivable is stated at cost less provision for impairment losses.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

Cash and cash equivalents are measured at fair value.

Accounts payable

Accounts payable which are short-term obligation, are stated at their nominal value.

1.3 Impairment of assets

The carrying amounts of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is higher of the net selling price and the value in use.

1.4 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 paid vacation leave and sick leave, bonuses, and medical aid contributions), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Accounting Policies

1.5 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.6 Income recognition

Income from grants is brought to account in the financial period to which it relates.

All other income is brought to account as and when received.

1.7 Interest income

Interest is brought to account as and when received.

1.8 Financial risk management

Financial risk factors

The company's activities could expose it to a variety of financial risk: market risk (including fair value interest rate risk), liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the trustees, who evaluate financial risks.

(a) Market risk

The company is exposed to currency risk to the extent that some grants are denominated in foreign currency. The company however does not operate internationally and therefore its exposure to any foreign exchange risk is limited. Management regularly reviews the relevant rates of exchange and amends budgets if necessary.

(b) Credit risk

The company's credit risk is attributable to accounts receivable, accrued income and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The company has no significant credit risk arising from its receivables or accrued income in the current year.

(c) Liquidity risk

Using cash flow forecasting, management maintains adequate levels of cash to fund ongoing obligations.

(d) Cash flow and fair value interest rate risk.

The company has minimal exposure to interest rate risk as surplus funds are invested in local interest-bearing accounts.

1.9 Project accounting and expense allocation

In terms of its contractual obligations to donors, the company's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds.

Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	<u>1,226,441</u>
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3. Income

Funding and donations received	<u>7,613,811</u>
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4. Cash generated from operations

Surplus before taxation	<u>1,226,441</u>
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5. Going concern

The existence of CovidComms NPO is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn, it is highly unlikely that the company will be able to continue as a going concern. Currently, there has been no indication that the donors will not be continuing with the support. As the COVID-19 pandemic is ending, CovidComm NPO will no longer restrict its services to COVID-19 related services. The company will branch out to other services.

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022
Income		
Funding and donations received		7,613,811
Expenses (Refer to page 14)		(6,387,370)
Surplus for the year		1,226,441

Covid Comms NPO

(Registration number: 252-757 NPO)

Annual Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022
Operating expenses		
Consulting and accounting		(43,000)
Advertising		(8,450)
Social media		(207,499)
Glossary development and editing		(30,486)
Bank charges		(6,149)
Media costs		(78,743)
Content producing/project management		(229,000)
Computer expenses		(5,208)
Crew		(32,000)
Operations and stakeholder		(75,000)
Secretariat fees		(222,000)
Facilitator fees		(191,000)
Entertainment		(624)
Coordination		(535,500)
Talent and actors		(250,212)
Translation		(1,024,713)
Video editing		(61,500)
Copywriting		(51,240)
Equipment hire		(162,700)
Stock Images		(46,329)
General expenses		(15,174)
Venue hire and talent		(135,126)
Office expenses		(21,212)
Insurance		(21,055)
Legal expenses		(2,300)
Production		(2,807,551)
Proof reading		(34,300)
Motor vehicle expenses		(1,671)
Software development		(23,000)
Printing and stationery		(3,296)
Subscriptions		(60,096)
Telephone and internet		(1,236)
		(6,387,370)