

THE COMMUNITY CHEST OF THE WESTERN CAPE
(REGISTRATION 003-040 NPO)
AUDITED ANNUAL FINANCIAL STATEMENTS
AS AT 31 MARCH 2021

THE COMMUNITY CHEST OF THE WESTERN CAPE

AUDITED ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2021

DIRECTORS

NON-EXECUTIVE

M Bosazza (Chairperson)
C Fleurs-Goddard (Vice-chairperson)
E Adams
M Cornelius (Resigned 24 December 2020)
C Daries
C Duncan (Resigned 24 December 2020)
G Gunston
A Woolfson (Resigned 24 December 2020)
S Zinn (Resigned 24 December 2020)

EXECUTIVE

L Davids (Resigned 31 March 2021)

LEGAL ADVISERS

Cliffe Dekker Homeyr Inc.

BANKERS

First National Bank of Southern Africa Limited

AUDITORS

Ernst & Young Inc.

REGISTRATION NUMBER

003-040 NPO

REGISTERED OFFICE

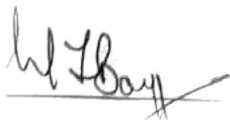
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Cape Town
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8001

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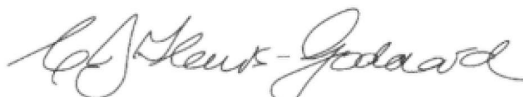
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APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 24 have been approved and are signed on behalf of the board by:



M BOSAZZA
CHAIRPERSON



C FLEURS-GODDARD
VICE CHAIRPERSON

22 OCTOBER 2021

THE COMMUNITY CHEST OF THE WESTERN CAPE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

NATURE OF BUSINESS

The Community Chest of the Western Cape ("The Chest") is a philanthropic organisation that was founded in Cape Town in 1928 as a conduit for philanthropy in response to a poverty problem in the Western Cape. Funding was directed to organisations providing social relief to those affected by poverty and those living with mental or physical disabilities. Over time, The Chest became the first point of call for funding in social welfare and has funded many hundreds of organisations. The Chest also develops and facilitates philanthropy through partnerships with a wide range of donors and social development of donor resources. The Chest acts as an objective and professional community partner to ensure accountability for utilisation of donor resources.

The Chest provides services and advice to enhance the management, financial and skills capacity of Non-Governmental and Community based organisations in the Western and Southern Cape that are engaged in social development.

As The Chest has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act its receipts and accruals are exempt from income tax in terms of Section 10(1)(cN).

The Chest operates in conjunction with its sister body, The Community Chest of the Western Cape S18A. Donors to the S18A entity enjoy tax relief on their contributions.

OPERATING REVIEW AND FINANCIAL PERFORMANCE

The leadership of The Chest has embraced the mandate to transform the organisation into a leading centre of philanthropy. The key objective of The Chest is to make grant funding available to vetted and approved non-profit organisations and in turn the fulfilment of this objective must lead to a safer, prosperous and growing South African society. Therefore, the upholding of this mandate has become the foundation of the critical design changes within The Chest. The Chest is dedicated to adding increased value to the grant making process by moving from a broadly defined charity mind-set to a deeper and more structured business mind-set based on intentional development of more meaningful education, health, income generation and community development solutions and impact measurement. This transformation strategy is both costly and necessary to enable the organisation to meet its constitutionally enshrined obligations to non-profit organisations.

During this reporting period, total revenue decreased by approximately R4.4 million (2020: R665 000 decrease). This decrease is largely due to the timing of income received and the effects of COVID-19.

Direct expenditure and administrative overheads decreased by R5.6 million (2020: R3.9 million increase). This decrease is mainly due to the suspension and cancellation of services & events due to COVID-19. Community investment expenses amounted to R42.5 million (2020: R33.5 million). This resulted in a deficit for the year of R13.6 million (2020: deficit of R23.5 million).

The total investments into communities of R42.5 million (2020: R33.5 million) for the year, represents an increase of 26.92% over the previous year. The increase is due Special Projects & Government Projects incurred in the current financial year. The Chest's long-term commitment is to see strategic changes in Education, Income Generation, Health and Community Development, which will allow our targeted communities to break free from the restricting poverty cycles that they have been in for generations.

The firm resolve of The Chest is to ensure that it remains committed to its task of providing funding to non-profit organisations to impact strategically selected projects in order to combat the devastating consequences of poverty.

The Chest leadership team and staff are aligned to ensuring that the mission and the mandate drive the outcomes of The Chest. The Chest will represent its funders and their interests in a professional and accountable manner. And the needs of communities will be upper most when considering grant applications.

The Chest staff and Board are deeply grateful to those who help support our work of combatting poverty and helping to rebuild human dignity. Our partnerships with government, business and communities are the essential elements of why we have survived year on year. Even in tough economic climates as experienced in the last few years, we have not stepped back from increasing our commitments to those we serve. South Africa will need a brave and robust philanthropic sector in order to impact poverty. The Chest will seek to lead that sector with continued bravery, good governance and accountable and professional service.

THE COMMUNITY CHEST OF THE WESTERN CAPE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

CAPITAL AND RESERVES

The Chest maintains reserves to ensure that it can continue its operations in the event of adverse economic and fundraising conditions. It is essential that we are able to maintain the level of financial support that we provide to a multitude of needy organisations as far as is possible.

During the current year, the investment portfolio provided income to support our operations. Investments are realised either when it is appropriate to make changes to the structure of the portfolio or when funding is required to sustain operations. Profits on the sale of investments, which are taken to income, can therefore vary in both timing and quantum. Included in the accumulated funds are unrealised gains and losses on the investment portfolio.

CORPORATE GOVERNANCE

Details of our governance are set out in the section of responsibility for the financial statements below.

DIRECTORS

Details of the directors are shown on page 1.

RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the integrity of the annual financial statements.

In order to fulfil this responsibility, The Chest maintains and continuously monitors the accounting and administrative control systems designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with The Chest's policies and procedures.

The Directors comprise of independent non-executive volunteers who meet periodically with the Chief Executive to manage the strategic direction of the organisation. The audit and risk committee comprises of independent non-executive volunteers, who meet periodically with the external auditors and senior management to assist in determining that internal controls provide reasonable assurance that The Chest's assets are safeguarded and that the financial records may be relied upon for the preparation of the financial statements. The finance committee comprises of independent non-executive volunteers who meet quarterly with senior management to review operating results and to monitor matters relative to The Chest's control environment.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, as approved by the International Accounting Standards Board (IASB) as set out in the accounting policies on pages 10 to 14 of the annual financial statements and are examined by our auditors in accordance with International Standards on Auditing.

GOING CONCERN

The annual financial statements have been prepared on the going concern basis.

A going concern assessment, for an extended period, was performed at the date of signing the annual financial statements. Based on this assessment, The Directors confirm that The Chest has adequate resources to operate for the foreseeable future and will remain a viable going concern in the 12 months from the date of signing the annual financial statements.

Refer to note 19

THE COMMUNITY CHEST OF THE WESTERN CAPE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

EVENTS AFTER REPORTING DATE

Other than the staff restructuring & retrenchments mentioned below, no material fact or circumstance has come to the attention of the directors between the reporting date and the date of this report that would require disclosure in or adjustment of the annual financial statements.

The onset of the global pandemic in South Africa at the end of the 2020 financial year caused a significant degree of uncertainty within NGO sector in particular. Due to the effects of COVID-19 & a decrease income from traditional funding streams, The Community Chest underwent a restructuring & retrenchment process. This process started in April 2021 & was concluded in August 2021. A total of R2.9 million was paid in staff severance packages.

The Community Chest has put on hold the distribution of Operational Grants until funds has been procured, specifically for the purposes grant making. Unfunded projects has also been put on hold until funders has been procured for these projects.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMMUNITY CHEST OF THE WESTERN CAPE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Community Chest of the Western Cape set out on pages 7 to 24, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income and accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Chest of the Western Cape as at 31 March 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

Basis for opinion

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 Financial Statements section of our report. We are independent of the entity 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, as applicable, 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' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report included in the 24-page document titled "The Community Chest of the Western Cape Annual Financial Statements for the year ended 31 March 2021." The other information that will be available after the date of this report is the Annual Report of The Community Chest of the Western Cape. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

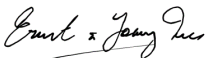
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity'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 entity'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 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

DocuSigned by:



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Ernst & Young Inc.

Director: Abdul-Majid Cader
Registered Auditor
Chartered Accountant (SA)
22 October 2021

THE COMMUNITY CHEST OF THE WESTERN CAPE

STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 R	2020 R
REVENUE	42 996 955	47 434 609
Fundraising	42 087 365	44 563 773
Corporates	821 944	1 008 745
Individuals	500	0
Legacies	321 000	7 517 245
Partnerships	13 691 079	882 452
Government special projects	11 526 241	16 146 598
Management fees	878 040	291 942
Capacity building programme	0	5 000
Special events	28 953	351 429
Trusts	14 035 480	18 360 362
National Lotteries	784 128	0
Investment income	909 590	2 870 836
Dividends income	512 643	1 078 741
Interest income	396 947	1 792 095
Other income/(losses)	9 302 559	(8 425 803)
Fair value (losses)/gains on investments	9 220 571	(8 461 873)
Miscellaneous income	81 988	36 070
DIRECT EXPENDITURE	(10 384 041)	(13 343 939)
OPERATING INCOME	41 915 473	25 664 867
ADMINISTRATIVE OVERHEADS	(12 997 471)	(15 717 216)
NET INCOME BEFORE COMMUNITY INVESTMENT EXPENSES	28 918 002	9 947 651
COMMUNITY INVESTMENT EXPENSES	(42 540 313)	(33 518 676)
Grants awarded to Community Organisations	(2 664 770)	(9 124 819)
Capacity building programme	(858 627)	(1 323 936)
Special projects	(19 489 830)	(3 072 241)
Government special projects	(15 987 026)	(16 963 744)
Donations in kind – administration expenses	(1 136 594)	(1 270 299)
Bursary Allocations	(2 403 466)	(1 763 637)
DEFICIT FOR THE YEAR	(13 622 311)	(23 571 025)
ACCUMULATED FUNDS AT BEGINNING OF YEAR	41 216 409	64 787 434
ACCUMULATED FUNDS AT END OF YEAR	27 594 098	41 216 409

THE COMMUNITY CHEST OF THE WESTERN CAPE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 R	2020 R
ASSETS			
Non-current assets			
Intangible assets	3	2 159 952	3 071 915
Property, plant and equipment	4	1 583 176	1 739 623
Investments at fair value through surplus or deficit	5	36 569 108	45 463 298
		<u>40 312 236</u>	<u>50 274 836</u>
Current assets			
Trade and other receivables	6	3 317 447	1 276 645
Cash and cash equivalents	7	14 541 136	2 761 897
		<u>17 858 583</u>	<u>4 038 542</u>
Total assets		<u><u>58 170 819</u></u>	<u><u>54 313 378</u></u>
FUNDS AND LIABILITIES			
Accumulated funds		<u>27 594 098</u>	<u>41 216 409</u>
		<u>27 594 098</u>	<u>41 216 409</u>
Non-current liabilities			
Post retirement benefit obligation	8	<u>302 889</u>	<u>285 330</u>
		<u>302 889</u>	<u>285 330</u>
Current liabilities			
Trade and other payables	9	2 081 805	3 154 347
Provision for leave pay	10	1 741 714	1 543 384
Income received in advance	11	4 189 405	278 885
Government grants liability	17	22 260 908	7 835 023
		<u>30 273 832</u>	<u>12 811 639</u>
Total liabilities		<u><u>30 576 721</u></u>	<u><u>13 096 969</u></u>
Total funds and liabilities		<u><u>58 170 819</u></u>	<u><u>54 313 378</u></u>

THE COMMUNITY CHEST OF THE WESTERN CAPE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 R	2020 R
Cash flows utilised by operating activities			
Cash utilised by operations	12.1	(21 650 351)	(16 210 414)
Investment income		909 590	2 870 836
Dividends income		512 643	1 078 741
Interest income		396 947	1 792 095
Working capital changes	12.2	15 223 061	7 757 095
Net cash outflows from operating activities		<u>(5 517 700)</u>	<u>(5 582 483)</u>
Cash flows from investing activities			
Additions to property, plant and equipment	4	(103 347)	(72 420)
Proceeds on sale of property, plant and equipment	4	-	12 000
Withdrawals from investments at fair value through surplus or deficit		18 228 750	14 452 169
Additions to investments at fair value through surplus or deficit		(828 464)	(6 724 633)
Net cash inflow from investing activities		<u>17 296 939</u>	<u>7 667 116</u>
Net movement in cash and cash equivalents for year		11 779 239	2 084 633
Cash and cash equivalents at beginning of year		<u>2 761 897</u>	<u>677 264</u>
Cash and cash equivalents at end of year	7	<u><u>14 541 136</u></u>	<u><u>2 761 897</u></u>

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

The financial statements set out on pages 6 to 23 are prepared on the going concern basis and are consistent with the prior year. The items in the annual financial statements are measured on a historical cost basis, except for some financial instruments, which are measured at fair value through profit and loss. The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-size Entities (IFRS for SME's) as issued by the International Accounting Standards Board (IASB).

The significant accounting policies are as stated below:

1.1 Significant accounting judgements and estimates

Estimations

Estimations are made concerning the future at the reporting date regarding the post-retirement medical obligation as well as regarding the useful lives, depreciation rates and residual values of depreciable assets. The estimates and assumptions made by the actuaries are disclosed in Note 8. Amortisation and depreciation rates are disclosed in notes 1.2 and 1.3.

1.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The identifiability criterion is met when the intangible asset is separable (that is, it can be sold, transferred, licensed, rented or exchanged), or where it arises from contractual or other legal rights or where it is acquired as part of a business combination.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised on a systematic basis over the expected useful lives of the intangibles using the straight-line basis. This life is determined based on the contractual period of the asset or on the period of expected use of the asset. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management. Amortisation ceases when the asset is derecognised. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The residual value of such assets at the end of their useful lives is assumed to be zero, unless there is either a commitment by a third party to purchase the asset or there is an active market for the asset.

The annual rates applied are as follows:

- Website 16% per annum
- Database 16% per annum

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income and accumulated funds in the period the asset is derecognised.

1.3 Property, plant and equipment

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and any accumulated impairment. Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.3 Property, plant and equipment (continued)

items will flow to The Chest and the cost of the items can be measured reliably. All other repairs and maintenance expenditures are expensed to the statement of comprehensive income and accumulated funds during the financial period in which they are incurred. Expenditure incurred to replace or modify a significant component of plant and equipment is capitalised and any remaining carrying value of the component replaced is derecognised in the statement of comprehensive income and accumulated funds.

Property, plant and equipment are depreciated on a straight-line basis at rates estimated to write each asset down to its estimated residual value over the term of its useful life.

The annual rates applied are as follows:

- | | |
|---------------------------------|---------------------|
| • Motor vehicles | 20% per annum |
| • Furniture and other equipment | 10% per annum |
| • Computer equipment | 33% per annum |
| • Carnival equipment | 14 - 16% per annum |
| • Property and improvements | 2 - 8.33% per annum |

The assets' residual values, useful lives and rates of depreciation are reviewed if there are indications that the residual value or useful life of an asset has changed since the most recent annual reporting date and adjusted prospectively, if appropriate, at the end of each financial period.

Depreciation commences when assets are available for their intended use.

An assessment is made at each reporting date as to whether there is an indication that an asset may be impaired. If such an indication exists, an impairment test of the asset is performed and The Chest makes an estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use.

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income and accumulated funds in the period the asset is derecognised.

1.4 Retirement benefits

The Chest operates a defined contribution plan, based on a percentage of pensionable earnings funded by both The Chest and employees, the assets of which are held in separate trustee-administered funds. Contributions to this plan are charged to the statement of comprehensive income and accumulated funds in the period to which they relate.

Post-retirement medical benefit

The Chest has agreed to provide certain post-retirement medical benefits to a retired senior employee. These benefits are not funded. The present value of future medical aid subsidies in respect of past services is actuarially determined using the projected unit credit method, on an annual basis, and the liability is reflected in the Statement of Financial Position. Any curtailment of benefits or settlement amounts is recognised in the statement of comprehensive income and accumulated funds. Actuarial gains and losses are recognised in the statement of comprehensive income and accumulated funds in the period in which they occur.

Short term employee benefit

Short-term employee benefits are recognised in the period of service and are measured on an undiscounted basis. Short-term employee benefits paid in advance are treated as prepayments and are expensed over the period of the benefit.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to The Chest and the revenue can be reliably measured. Revenue from legacies and trusts consist of donations that The Chest receives from deceased estates and trusts.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from fundraising is recognised on receipt.
Revenue from competitions is recognised on receipt.
Management fees are recognised when due and receivable.

Donations, which are designated for a specific purpose, including capacity building programmes and partnerships are treated as deferred revenue until expended. Unspent amounts are disclosed as income received in advance.

Interest is recognised on a time apportionment basis, which takes into account the effective yield on the asset over the period it is expected to be held.

Dividends are recognised when The Chest's right to receive the payment is established.

Donations in kind relating to inventory and/or property, plant and equipment are recognised at fair value on receipt. This fair value is determined with reference to invoiced amounts received from the relevant donor.

1.6 Leased assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date.

All leases are classified as operating leases as none of the risks and rewards incidental to ownership, are transferred to The Chest. The relevant rentals are charged to income on a straight-line basis according to the period of use of the assets concerned. The resulting difference arising from the straight-line basis and contractual cash flows is recognised as an operating lease obligation or asset.

Contingent rental income and expenses are recognised when accrued or incurred.

1.7 Financial instruments

Financial instruments recognised in the Statement of Financial Position include cash and cash equivalents, investments in equity instruments, trade and other receivables and trade and other payables. Financial assets and financial liabilities are initially recognised in the Statement of Financial Position when The Chest becomes bound by the contractual provisions of the instrument.

When a financial asset or a financial liability is recognised initially, it is measured at transaction price plus directly attributable 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. If the arrangement constitutes a financing transaction, The Chest measures the financial instruments at present value of the future cash flows discounted at a market rate of interest. The Chest determines the classification of its financial assets on initial recognition. Subsequent to initial recognition, financial instruments are measured as set out below:

Investments in equity instruments

Investments are subsequently measured at fair value with changes in fair value being recognised in the statement of comprehensive income and accumulated funds.

The fair value of investments in equity instruments is determined by reference to quoted market bid prices at the close of business on the statement of financial position date.

Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost, less provision for impairment.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents, consisting of cash on daily call and cash in bank current accounts, are subsequently measured at amortised cost.

Trade and other payables

Trade and other payables are subsequently measured at amortised cost.

Derecognition

A financial asset is derecognised when:

- The rights to the cash flows from the financial asset expire or are settled or,
- The Chest transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or
- The Chest has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

A financial liability is derecognised when:

- The obligation under the liability is discharged or cancelled or expires

Impairment

At the end of each reporting period, financial assets measured at amortised cost are assessed for evidence of impairment.

For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, The Chest would reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal will not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Chest will recognise the amount of the reversal in the statement of comprehensive income and accumulated funds immediately.

Offset of financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention on a net basis to realise the assets and settle the liabilities.

1.8 Grants awarded to Community Organisations

Grants comprise allocations made to beneficiaries and are recognised as expenses when paid.

1.9 Provisions

A provision is recognised where The Chest has present legal or constructive obligations as a result of past events, reliable estimates of the obligations can be made, and it is probable that outflows of resources embodying economic benefits will be required to settle the obligations. The expense relating to any provision is presented in the statement of comprehensive income and accumulated funds net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using the rate that reflects, where appropriate, the risks specific to the liabilities. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.10 Expenses

Expenses are recognised when incurred.

1.11 Government grants

Government grants are recognised as follows:

- A grant that does not impose specified future performance conditions on the recipient is recognised in income when the grant proceeds are received.
- A grant that imposes specified future performance conditions on the recipient is recognised in income only when the performance conditions are met, and
- Grants received before the revenue recognition criteria are satisfied are recognised as a liability.
- Grants are measured as the fair value of the asset received or receivable.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

	2021 R	2020 R
2 NET INCOME BEFORE COMMUNITY INVESTMENT EXPENSES		
Net income before community investment expenses is stated after:		
Professional services fees	1 917 652	1 565 471
Auditor remuneration		
- current year fee	326 800	404 200
- prior period under provision	-	-
Financial consulting	68 200	200 775
Legal and other	802 107	336 303
Investment management fee	720 545	624 193
Amortisation (See note 3)	911 963	911 963
Depreciation (See note 4)	249 681	249 988
Operating lease expense	475 637	690 103
- Premises	402 324	566 100
- Office machinery	73 313	124 003
Salaries and contributions	25 155 672	23 730 441
- Key management personnel	11 501 012	10 679 351
- Other personnel	13 654 660	13 051 090
Bad debt expense	-	2 773
Number of employees	<u>49</u>	<u>46</u>

3 INTANGIBLE ASSETS

	2021		
	Website R	Database R	Total R
Beginning of year			
- cost	1 685 820	5 522 344	7 208 164
- accumulated amortisation	(1 624 757)	(2 511 492)	(4 136 249)
-Net Book Value	61 063	3 010 852	3 071 915
Current year movements			
- Amortisation	(48 852)	(863 111)	(911 963)
Balance at end of year	12 211	2 147 741	2 159 952
Made up as follows:			
- Cost	1 685 820	5 522 344	7 208 164
- Accumulated amortisation	(1 673 609)	(3 374 603)	(5 048 212)
Net book value	12 211	2 147 741	2 159 952

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

3 INTANGIBLE ASSETS (CONTINUED)

	2020		
	Website R	Database R	Total R
Beginning of year			
- Cost	1 685 820	5 522 344	7 208 164
- Accumulated amortisation	(1 575 905)	(1 648 381)	(3 224 286)
-Net Book Value	109 915	3 873 963	3 983 878
Current year movements			
- Amortisation	(48 852)	(863 111)	(911 963)
Balance at end of year	61 063	3 010 852	3 071 915
Made up as follows:			
- Cost	1 685 820	5 522 344	7 208 164
- Accumulated amortisation	(1 624 757)	(2 511 492)	(4 136 249)
Net book value	61 063	3 010 852	3 071 915

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

4 PROPERTY, PLANT AND EQUIPMENT

2021

	Property and improvements R	Motor vehicles R	Computer equipment R	Furniture & other equipment R	Carnival equipment R	Total R
Beginning of year						
- cost	3 070 975	151 265	848 837	786 295	21 767	4 879 139
- accumulated depreciation	(1 709 828)	(82 085)	(710 851)	(616 844)	(19 908)	(3 139 516)
- Net Book Value	1 361 147	69 180	137 986	169 451	1 859	1 739 623
Current year movements						
- additions	-	-	103 347	-	-	103 347
- disposals/scrapped	-	-	(169 260)	(81 075)	(900)	(251 235)
- depreciation of assets scrapped	-	-	164 084	76 138	900	241 122
- depreciation	(90 917)	(23 060)	(101 287)	(32 558)	(1 859)	(249 681)
Balance at end of year	1 270 230	46 120	134 870	131 956	0	1 583 176
Made up as follows:						
- cost	3 070 975	151 265	782 924	705 220	20 867	4 731 251
- accumulated depreciation	(1 800 745)	(105 145)	(648 054)	(573 264)	(20 867)	(3 148 075)
Net Book Value	1 270 230	46 120	134 870	131 956	0	1 583 176

The original cost of the property, including improvements is R2 604 974. The property had a valuation of R13 500 000 as at 31 March 2021, as assessed by a professional valuer. The property comprises ERF 2090, Cape Town situated at 82 Bree Street, Cape Town.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2020

	Property and improvements R	Motor vehicles R	Computer equipment R	Furniture & other equipment R	Carnival equipment R	Total R
Beginning of year						
- cost	3 070 975	255 853	799 911	776 300	21 767	4 924 806
- accumulated depreciation	(1 618 911)	(163 613)	(626 811)	(571 979)	(17 677)	(2 998 991)
- Net Book Value	1 452 064	92 240	173 100	204 321	4 090	1 925 815
Current year movements						
- additions at cost	-	-	62 425	9 995	-	72 420
- disposals/scrapped at cost	-	(104 588)	(13 499)	-	-	(118 087)
- depreciation of assets scrapped	-	104 588	4 875	-	-	109 463
- depreciation	(90 917)	(23 060)	(88 915)	(44 865)	(2 231)	(249 988)
Balance at end of year	1 361 147	69 180	137 986	169 451	1 859	1 739 623
Made up as follows:						
- cost	3 070 975	151 265	848 837	786 295	21 767	4 879 139
- accumulated depreciation	(1 709 828)	(82 085)	(710 851)	(616 844)	(19 908)	(3 139 516)
- Net Book Value	1 361 147	69 180	137 986	169 451	1 859	1 739 623

The original cost of the property, including improvements is R2 604 974. The property had a valuation of R14 220 000 as at 31 March 2019, as assessed by a professional valuer. The property comprises ERF 2090, Cape Town situated at 82 Bree Street, Cape

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

	2021 R	2020 R
5 INVESTMENTS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT		
Listed shares	18 065 941	21 479 788
Unit trusts	18 467 205	23 945 153
Money market accounts	35 962	38 357
	<u>36 569 108</u>	<u>45 463 298</u>
Investments at fair value through surplus or deficit are split as follows:		
Domestic	<u>36 569 108</u>	<u>45 463 298</u>
	<u>36 569 108</u>	<u>45 463 298</u>

6 TRADE AND OTHER RECEIVABLES

Sundry Debtors	672 950	247 030
The Community Chest of the Western Cape S18A	1 803 905	335 733
VAT Receivable	819 147	556 876
Prepayments	-	17 881
Staff loans	21 445	119 125
	<u>3 317 447</u>	<u>1 276 645</u>

The amount receivable from The Community Chest of the Western Cape is unsecured, interest free and payable on demand. Staff loans are unsecured, interest free and payable on demand.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:		
Daily call accounts	10 358 009	2 360 428
Current accounts	4 183 127	401 469
	<u>14 541 136</u>	<u>2 761 897</u>

The interest rates on the call accounts are floating rates linked to the prime lending rate

8 POST RETIREMENT BENEFIT OBLIGATION

The Chest has agreed to provide certain post-retirement medical aid benefits to a retired senior employee. These benefits are not funded.

The following tables summarise the components of the net benefit expense recognised in the statement of comprehensive income and accumulated funds and the amounts recognised in the statement of financial position for the plan.

	2021 R	2020 R
Net benefit expense:		
Actuarial loss/(gain) on obligation	36 933	(118 785)
Interest cost	26 394	24 322
Net benefit (income)/expense	<u>63 327</u>	<u>(94 463)</u>
Net benefit obligation:		
Defined benefit obligation	<u>302 889</u>	<u>285 330</u>

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

8 POST RETIREMENT BENEFIT OBLIGATION (CONTINUED)

Changes in the present value of the defined benefit obligation, as determined by the comprehensive actuarial valuation as at 31 March 2021, are as follows:

	2021	2020
	R	R
Opening defined benefit obligation	285 330	422 744
Interest cost	26 394	24 322
Benefit payments	(45 768)	(42 951)
Actuarial losses/(gains) on obligation	36 933	(118 785)
Closing defined benefit obligation	302 889	285 330

The principle assumptions used in determining the post-retirement medical aid benefit obligation are shown below:

	2021	2020
Discount rate	7.6%	10.1%
Medical inflation rate	5.5%	6.6%

Sensitivity analysis:

Effect on the aggregate current interest cost of

	Increase 1%	Decrease 1%
	R	R
Discount rate	22 815	19 268
Medical inflation	22 153	20 177

Effect on the defined benefit obligation

Discount rate	290 079	316 791
Medical inflation	316 328	290 825

Amounts for the current and previous three periods are as follows:

	2021	2020	2019	2018
	R	R	R	R
Defined benefit obligation	302 889	285 330	422 744	437 539
Experience adjustments on plan liabilities	36 933	(118 785)	(7 896)	34 640

9 TRADE AND OTHER PAYABLES

	2021	2020
	R	R
The Community Chest of the Western Cape Section 18A	-	254 425
Trade creditors	1 171 118	1 654 670
Sundry creditors and accruals	886 687	1 217 252
Staff savings	24 000	28 000
	2 081 805	3 154 347

Staff savings are interest free, unsecured and payable on demand. The amount payable to The Community Chest of the Western Cape S18A is interest free, unsecured and is payable on demand. Terms of payment for trade creditors and sundry creditors and accruals are between 30 and 60 days.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

	2021 R	2020 R
10 PROVISIONS		
Provision for leave pay		
Balance at beginning of year	1 543 384	1 423 503
Increase in provision	318 211	1 803 205
Amount utilised during the year	(119 881)	(1 683 324)
	<hr/>	<hr/>
Balance at end of the year	1 741 714	1 543 384

11 INCOME RECEIVED IN ADVANCE

	2021			
	Opening Balance	Received	Recognised	Closing Balance
Rutgers University	278 885	-	-	278 885
ASGC	-	35 000	-	35 000
HWSETA	-	5 910 000	(4 959 481)	950 519
MS Dell Foundation	-	2 899 672	(1 832 054)	1 067 618
Eat Out	-	2 760 206	(2 318 695)	441 511
National Lotteries	-	2 000 000	(784 128)	1 215 872
Gratco Trust	-	300 000	(100 000)	200 000
	<hr/>	<hr/>	<hr/>	<hr/>
	278 885	13 904 878	(9 994 358)	4 189 405

	2020			
	Opening Balance	Received	Recognised	Closing Balance
Rutgers University	-	278 885	-	278 885
Anonymous donor	354 273	-	354 273	-
	<hr/>	<hr/>	<hr/>	<hr/>
	354 273	278 885	354 273	278 885

12 NOTES TO THE STATEMENT OF CASH FLOWS

12.1 Cash utilised by operations

	2021 R	2020 R
Deficit for the year	(13 622 311)	(23 571 025)
Adjustments for:		
Amortisation	911 963	911 963
Depreciation	249 681	249 988
Fair value losses/(gains) on investments	(9 220 571)	8 461 873
Dividends income	(512 643)	(1 078 741)
Interest income	(396 947)	(1 792 095)
Management fee income capitalised to investments	-	(447)
Investment management fees deducted from investments	720 545	624 640
Post-retirement benefit obligation movement	17 559	(137 414)
Provision for leave pay	198 330	119 881
(Profit)/Loss on disposal assets	4 043	(1 810)
Bad debt expense	-	2 773
	<hr/>	<hr/>
	(21 650 351)	(16 210 414)

12.2 Working capital changes

(Increase)/decrease in trade and other receivables	(2 040 802)	1 001 870
(Decrease)/Increase in trade and other payables	(1 072 542)	1 340 660
Increase/(decrease) in income received in advance and government grants	18 336 405	5 414 565
	<hr/>	<hr/>
	15 223 061	7 757 095

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

13 RETIREMENT BENEFIT INFORMATION

The Community Chest participates in a pension fund for eligible employees. The fund constitutes a defined contribution plan and is governed by the Pension Funds Act of South Africa (Act 24 of 1956, as amended). The Community Chest is committed in terms of the rules of the fund, to contribute 7.5% of the pensionable emoluments of the members in its employ. Contributions by The Chest to the fund for the current period amounted to R2 211 385 (2020: R1 1913 427).

14 OPERATING LEASE COMMITMENT

The Chest has entered into various operating leases in respect of equipment & property. The monthly lease payments amount to R475 637 (2020: R690 103). Future minimum rentals under non-cancellable leases are as follows:

	2021	2020
	R	R
Within one year	118 080	241 470
Between two and five years	216 480	334 560
	<u>334 560</u>	<u>576 030</u>
Future lease payments	<u>334 560</u>	<u>576 030</u>

15 TAXATION

As The Chest is registered as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act, its receipts and accruals are exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.

16 RELATED PARTIES

Personnel compensation to key management for the year is R11 501 012 (2020: R10 679 351). Key management remuneration is disclosed in Note 2.

Related parties exist between The Community Chest of the Western Cape and The Community Chest of The Western Cape Section 18A, as these entities are under common control. The directors of The Community Chest of the Western Cape are also the directors of The Community Chest of the Western Cape Section 18A. Refer to note 6 and note 9 for the loan amount due to The Community Chest of the Western Cape Section 18A. An administration fee of R211 186 (2020: R281 942) was charged to The Community Chest of the Western Cape Section 18A during the year. The outstanding loan balance as at 31 March 2021 is R21 803 905 (2020: R254 425).

A related party relationship exists between The Community Chest of the Western Cape and Computer Specialists (Pty) Ltd. The Chairperson of the Board is also a director and owner of Computer Specialists (Pty) Ltd. In the prior year, The Community Chest continued to develop software through Computer Specialists (Pty) Ltd totalling R5 522 344. Prior year cost for the continued development of the software through Computer Specialists (Pty) Ltd totalled R797 344. This transaction was subject to a rigorous internal tender process and is therefore considered to be at arm's length.

17 GOVERNMENTS GRANTS LIABILITY

	2021				
	Opening	Reallocated	Received	Recognised	Closing
	Balance				Balance
Innovation Fund	1 526 579	(1 526 579)	-	-	-
Training	-	-	730 000	-	730 000
Year Beyond	994 169	1 526 579	21 413 000	(11 206 853)	12 726 895
BPS Project	-	-	1 604 136	-	1 604 136
1000 Stories	-	-	2 205 000	-	2 205 000
Youth in Service	5 314 275	-	-	(319 398)	4 994 877
	<u>7 835 023</u>	<u>-</u>	<u>25 952 136</u>	<u>(11 526 251)</u>	<u>22 260 908</u>

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

17 GOVERNMENTS GRANTS LIABILITY (CONTINUED)

		2020			
	Opening Balance	Reallocated	Received	Recognised	Closing Balance
Innovation Fund	1 916 660	-	-	(390 081)	1 526 579
Steamac Training	428 410	(428 410)	-	-	-
Year Beyond	-	-	180 750	(180 750)	-
Youth in Service	-	428 410	12 714 000	(12 148 241)	994 169
	-	-	8 741 800	(3 427 525)	5 314 275
	2 345 070	-	21 636 550	(16 146 597)	7 835 023

Government Grants have been provided by the Department of Cultural Affairs and Support to The Community Chest of the Western Cape in order to facilitate after school programmes that provide educational support after school hours to certain learners of the Department of Education at identified schools in the province of the Western Cape.

A liability of R22.26 million (2020: R7.8 million) has been recognised due to these projects still running as at year end. These grants are to be utilised for after school programmes in no and low fee schools.

18 EFFECTS OF COVID-19

The onset of the global pandemic in South Africa at the end of the 2020 financial year caused a significant degree of uncertainty within NGOs in particular. The Community Chest was one of the first NGO's in Cape Town to institute remote working.

During this time of crisis, we were reminded that it was for exactly this reason that The Community Chest was founded in 1928: To aid the destitute.

The Community Chest's number one priority throughout the pandemic was to ensure that its staff was safe and protected. With the team secured with the required Personal Protective Equipment, The Community Chest began to address the Health, Nutritional and Safety needs of our NGO partners & the communities around us.

Our Role

During the COVID-19 lockdown period, The Community Chest's work continued unabated. The Community Chest was given "Essential Service Agency" status by the Western Cape Government. The Community Chest remained in service to support staff, volunteers and NGOs working on the front lines combatting the virus. The Community Chest's main role continued to be to provide financial and in-kind support to those working with at-risk and infected communities and individuals. In addition, The Community Chest also reached out to communities directly where and when required.

R6.7 million was invested into food relief efforts & R7.8 million was invested into other COVID-19 related relief efforts.

Funding

A challenging outcome for NGOs during the pandemic was the loss of significant portions of donor funding due to lockdown and the defer and delay of decisions by donors. In highly structured donor agencies, where funding decision-making goes through many processes, the lockdown caused such decisions to be delayed. This had a disastrous impact on the sustainability of many NGOs. Many donors opted to divert their regular funding to COVID-19 causes – and not fund their traditional NGO partners during this time.

Together, both the delay and the divert decisions by donors led to several NGOs being at risk of closing their doors.

Conclusion

The Community Chest decided to take a very public role during the pandemic and to take the opportunity to realign donor strategies to ensure that both the Donor & The Community Chest were able to pivot to do sense-making philanthropic interventions to stop the spread of the COVID-19 virus & provide relief to those affected by lockdown.

THE COMMUNITY CHEST OF THE WESTERN CAPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

19 GOING CONCERN

The annual financial statements have been prepared on the going concern basis.

Management has prepared forecasts taking into consideration factors such as investment balances & financial resources, financial obligations, changes in the organisation post year-end & changes in the donor environment as well as the uncertainty of COVID-19. These forecasts are reviewed regularly by Management & The Board of directors.

Based on these forecasts, The Chest has sufficient liquidity & resources to continue operations as a going concern for the foreseeable future.

20 EVENTS AFTER REPORTING DATE

Other than the staff restructuring & retrenchments mentioned below, no material fact or circumstance has come to the attention of the directors between the reporting date and the date of this report that would require disclosure in or adjustment of the annual financial statements.

The onset of the global pandemic in South Africa at the end of the 2020 financial year caused a significant degree of uncertainty within NGO sector in particular. Due to the effects of COVID-19 & a decrease income from traditional funding streams, The Community Chest underwent a restructuring & retrenchment process. This process started in April 2021 & was concluded in August 2021. A total of R2.9 million was paid in staff severance packages.

The Community Chest has put on hold the distribution of Operational Grants until funds has been procured, specifically for the purposes grant making. Unfunded projects has also been put on hold until funders has been procured for these projects.

A Going Concern assessment performed at the date of signing the annual financial statements. Based on this assessment, The Chest considered to be a Going Concern for 24 months from the date of signing of the annual financial statements