

# ANNUAL REPORT

YEAR ENDING 31 MARCH 2023



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# AGENDA

## ANNUAL GENERAL MEETING

### IMPILO CHILD PROTECTION & ADOPTION SERVICES

#### YEAR END MARCH 2023

Held on 19 July 2023, in person and via Zoom

**Meeting to be chaired by Alex Maditse**

1. Welcome & opening of the meeting
2. Present: signing of attendance register
3. Apologies
4. Minutes of the previous AGM
5. Reports: Chairman, Treasurer, Director
6. Acceptance of Annual Financial Statements for the period  
1 April 2022 to 31 March 2023
7. Confirmation of:  
Directors  
Office bearers  
Auditors
8. General



## CHAIRPERSON'S REPORT

for the year ending 31 March 2023



In 2022, all remaining COVID-19 restrictions and protocols were gradually lifted, which brought some semblance of a return to "normal" to our lives. Sue Krawitz, Impilo's Director, and her team of dedicated staff members returned to working at the office, making it easier for them to continue delivering outstanding services towards achieving the vision, mission and goals of the organisation.

Our mandate is to place children in safe and stable homes where they are welcome and nurtured to reach their full potential. The Impilo philosophy of permanency for all the babies and toddlers in our care, is at the forefront of our efforts. The primary objective of the Impilo team is providing families for our children.

The lifting of the restrictions made it possible for the Impilo team to relaunch their volunteers programme, which brought in many willing helpers to support the staff and help them go the extra mile. The Impilo team continued to provide essential services and sanctuary to many babies and toddlers during the year. Many successful fundraising events took place, for example, the Mandela Day Raffle and Mandela Open Days. Virtual fundraising and raising of awareness campaigns on social media platforms also continued successfully, which enabled Impilo to continue its good work.

We extend our sincere thanks to our local and international donors for their continued support, without which our work would not be possible, particularly in these difficult times. We



acknowledge our partnerships with other organisations, individuals, and our Board members, who work with us to continue making miracles. Last, but not least, we thank Sue for her unwavering commitment in service to Impilo's children and we salute the Impilo team, including our dedicated group of volunteers, who live our philosophy with passion every day.

We prepare to face new challenges ahead with renewed commitment to this cause, knowing that we continue to make a difference.



Alex Maditse – Chairperson

## **TREASURER'S REPORT**

**for the financial period ended 31 March 2023**



In the last reporting period Impilo changed its financial yearend from December to March. The comparative figures for the prior year, in the financial statements for the year ended 31 March 2023, represent a 15-month operating period.

Local and global economic pressures continue to have a significant impact on those who are most vulnerable, especially children. In addition, the increases in inflation and interest rates have put businesses under pressure and make fund raising increasingly difficult. Our European partners have withdrawn their funding to entities providing adoption services as they seek to keep within their stringent regulatory measures with regard to any sort of child trafficking. As fund raising is a significant source of income for Impilo these pressures have severely impacted the reserves this year.

Total income for the year fell 14% compared to the annualised income in the prior year. Adoption fees increased by 13% and Place of Safety fees increased by 15%. The Government subsidies only increased by 2% and donations received fell by 30%. The main contributor to the lower donations received was the withdrawal of funding from Denmark. The income base is now lower than it was two years ago, a most concerning position.

Total expenditure for the year increased by 7% compared to the prior year annualised number. Employee costs are the main contributor to this increase as Impilo maintained salary increases in line with inflation and paid 50% bonuses to staff, these funds were sourced from a specific donor. The rest of the costs were well managed in the year and reduced in many cases in line with lower income:

As a result of the increase in the carrying value of motor vehicles the depreciation charge has increased year on year. However, this expense accounts for a donated vehicle and is non-cash in nature.

Impilo recorded a deficit for the year of R647 544, mostly as a result of the loss of funding from Denmark.

Monthly management of costs and cash flows is constantly reviewed to ensure that the cost structure is in line with the activity and that there are funds to meet the cost and debt repayment obligations.

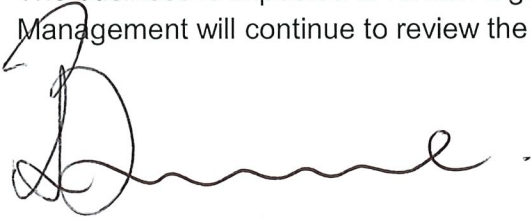
At the financial year end net cash and bank balances of R113 000 were lower than the balance of R670 000 at the prior year end. Management is comfortable that the business still retains sufficient cash reserves to meet its financial requirements. There is additional capacity to withdraw funds from the loan against the property if required.

During the year capital expenditure of R22 367 was incurred mainly on laptops for staff.

Payments against the bond account of R63 000 including interest reduced debt by R37 000 with the bond account closing on R313 000.

As a result of the operating shortfall and settlement of the bond account net cash decreased by R557 000 from the prior year.

The business is expected to remain a going concern for at least the next 12 months and Management will continue to review the operating model to ensure its longer-term sustainability.

A handwritten signature in black ink, appearing to be 'LE Bunce', written in a cursive style. The signature starts with a large, stylized 'L' and ends with a long, wavy tail.

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**LE Bunce – Treasurer**



## DIRECTOR'S REPORT

for the year ending 31 March 2023

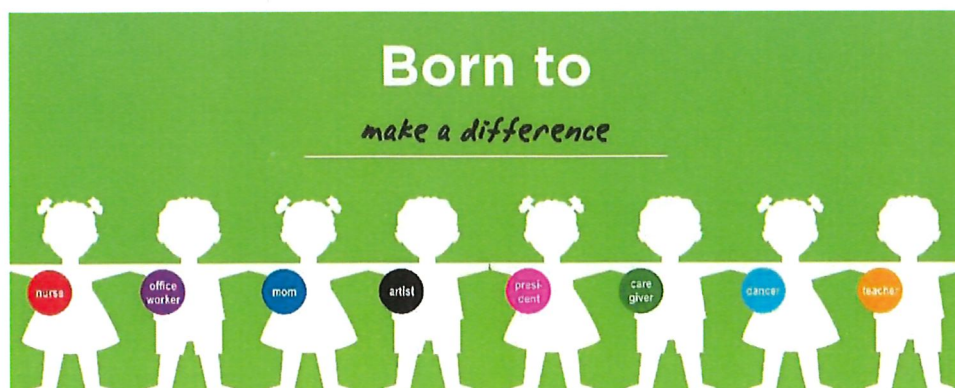


We began the year filled with hope. The emergency of the pandemic was over, and life returned to some semblance of normality. If not for loadshedding, water issues and the steep increase in the cost of living, it would have been a really good year. Our services remained in demand, with a steady flow of new cases. We continued to reunify children with their families of origin, and were able to find permanent homes for many adoptable children.

What has become very clear over the last few years, and particular during the pandemic, is that gender-based violence is an underlying factor in our work. As we move forward, we will need to address this issue more specifically if we are to make an even greater impact on the beneficiaries we serve.

### ACHIEVEMENTS

Each year, fundraising becomes more and more critical to operations, and equally more challenging. Impilo has never had a team member dedicated solely to fundraising and PR, and, this year, we made it a mission to find the right person. In January 2023, Arlene Zlotnick joined the team. Not only has this alleviated the pressure on me, but she has brought energy, focus and skill to the team that were desperately needed. By the end of the financial year, she had found her feet, and positive results began to be evident.



One of her first tasks was to relaunch our BORN TO campaign, an awareness movement that aims to put the spotlight on enabling abandoned children to reach their true potential. The campaign will run in various forms for the duration of Impilo's 20<sup>th</sup> birthday year.

By filling this post with an experienced communicator, we have also been able to broaden our social media presence, in order to raise awareness, and so reach more beneficiaries, donors and supporters. As one of the primary elements of fundraising is to build and maintain strong relationships with donors, this is a key performance area for this position.

Over the past year, we have been selected as the beneficiary of a couple of campaigns on crowdfunding platform BackaBuddy. We are sincerely grateful to Jenna Sprenger at the London Marathon and Rebecca Gore at the NYC Marathon.

Through numerous media interviews, I was able to ensure that Impilo continued to receive good exposure on radio and TV, and in print. This has boosted our profile in our community, and allowed us to raise awareness around the work we do.

Staff training remains a priority. Staff and volunteers were fortunate to receive CPR training free of charge from Hatzolah, which is very supportive of us. Our professional staff also benefited from training on Courage, a child protection and empowerment programme, by Dee Blackie. The session proved most inspiring and brought fresh energy to the team.

Impilo is currently sponsoring two of our social workers towards a Diploma in Adoption through North West University. We anticipate that their input will add great value to our highly skilled adoption team.

In a partnership with the Känguru Institute, an organisation that cares for disabled children and their families in the Sedibeng region, Impilo has agreed to provide statutory services to babies placed in their newly opened baby safe.

On an operational level, we managed to finalise our new filing system. This was a mammoth task that required physical storage facilities and the electronic cataloguing of hundreds of historical files. Our grateful thanks to Macsteel for the bulk storage units, and Nashua for the archival software.



## THE YEAR IN NUMBERS

### ADOPTIONS FINALISED

**National** **24**  
(1 special needs, 3 family adoptions)

**Intercountry** **31**  
(15 special needs, 1 family adoption)

**Networked** **4**

### CASES OPENED

Children **55**

Adopters **31**

Search for Origins **10**



### CHILDREN REUNIFIED **13**



### ENQUIRIES

Birthmothers **62**

Adoption **343**



**18** FINALISATIONS INTO FOSTER CARE



## **EVENTS**

Mandela Day 2022 was a busy day of activities at Impilo, with a number of organisations electing to spend their 67 minutes cooking for our children, cleaning windows and painting walls. Our thanks to Airlink, ARM, MSC Cruises and TRM Security for their sizable donations on the day, and the many other generous donors.

Let's not forget the draw of our Mandela Day Raffle, in partnership with the Johannesburg Parent and Child Counselling Centre, with prizes including TVs, sports memorabilia and wine. Our thanks to all those who supported the initiative, not least of which Macsteel, which purchased 600 tickets. An ongoing, and generous, supporter of Impilo, the company also sponsored an end-of-year lunch for our staff, a most welcome break for the team after another busy year.

New to our calendar this year was Quiz Night, held at the Corner Café in Glenhazel, in March. Our quizmaster, Emmanuel Castis, ensured that great fun was had by all, and we're hoping to hold the event at least once again in the next financial year.

Our network of temporary safe care facilities is critical to our ability to provide quality services, and a thank-you lunch for them was sponsored by Arlene Kaftel, at her home.

We were invited to attend the CSI Awards in Pretoria. This was a gala event which provided an opportunity to network with donors and other NPOs.

Our statutory supervisor attended the Presidential Imbizo in Sedibeng in August. At this stakeholder function, she met with President Ramaphosa and other dignitaries.

On 27 May, as a team-building exercise and in appreciation of their hard work, staff were treated to a picnic in the park. This was a wonderful day, enjoyed by all.

## **CHALLENGES**

The crisis around the cost of living, increased interest rates and inflation put Impilo under severe financial strain, which necessitated several appeals during the year.

Our premises are ageing and maintenance is now vital to ensure the value of the property. We have been able to undertake small projects, but a major overhaul is required, and we are in the process of sourcing a donor.

Of course, loadshedding has been enormously disruptive for our operations. All of our electronic equipment requires upgrading and alternative sources of power have become essential. This is a project for the coming year.

It became evident towards the end of the financial year that the Department of Social Development had plans to restructure funding and services. This posed a potential crisis, which we set out to address. Going forward, we plan to re-strategise our operational and funding model. The support from our board, staff and colleagues in the child protection community proved invaluable as we headed into the new financial year.

A collective of child protection service providers that potentially will be affected by these proposed changes by DSD have organised themselves into an advocacy group, and Impilo is actively involved.

For most of the year, we remained under the extreme pressure of high workloads, with an under-resourced staff complement. Plans for 2023/24 will address this issue.

Long delays in getting adoption dates at various courts created unnecessary obstacles for children awaiting placement in permanent families. This necessitated interventions by our teams, and eventually the engagement of attorneys, on behalf of the children. The interventions proved fruitful, and dates began to be set for the adoptions. A forum for communication was established, and is working well.



## BOARD AND COMPLIANCE

The Impilo Board remained unchanged for the period, and has continued to be both vigilant and supportive. We maintained full compliance, both legislative and departmental. Our policies and procedures are up-to-date in terms of POPIA, with all relevant procedures introduced.

## PARTNERS



Our treasurer, director and intercountry social worker were invited to attend the Euradopt Conference in Copenhagen in September, as guests of our Danish partner, DIA. The presentations, around the theme of post-adoption services, were most informative, and we were able to incorporate some of the concepts into our daily work. We were also able to meet with our partners from Austria and Luxembourg at the event, and network with other key stakeholders.

Birgit Meisterl and Marion Zellinger from our Austrian partner, Efkö, visited Impilo in March. They met with our central authority and some of our partner facilities, and we were able to hold fruitful discussions of mutual benefit.

We continue to network with local organisations in our efforts to find permanent families for adoptable children.

## MPEPU

Mpepu, our temporary safe care facility, was at capacity the entire year. The children remained well, and the staff complement stable.

Some of our children started playschool in January, and have benefited tremendously from this.

Although the number of volunteers dropped significantly during COVID, and many didn't return after the pandemic, volunteers continued to be a vital resource, and new members have joined. The Buddy System continued to work well, providing children with one-on-one interaction. Volunteers organised outings for the children during the year, and continued to provide meals weekly. Our thanks to Leora Magidson for her leadership of the team.

Mpepu continued to receive vital support from the Nashua Children's Charity Foundation throughout the year.



## PEOPLE

Dr Janet Lumb and Dr Tracey Paiken were invaluable resources during the year, both for the children in Mpepu and those in our partner temporary safe care facilities.

Two of our valued staff members had babies during the year, and one of our social workers immigrated to the UK. We were sorry to lose her.

Tendai Machenjedge, who had been a locum, was permanently employed.

## SPECIAL PROJECTS

Our New Mom Packs project, launched during COVID, continued to be very successful in providing new mothers with essential items, mainly via the hospitals. The parcels, some of which were supplied to Impilo through a project of MixFM, were well received by the hospitals, as they do not have the necessary resources.

Outreach programmes continued during the year, where our social workers networked with other service providers, such as hospitals and SAPS. These are always very valuable.

## IN CONCLUSION

At the end of another demanding year, I would like to thank our dedicated staff, board, colleagues and volunteers for their steadfast support, loyalty and commitment. At the heart of everything we do is our commitment to protecting and improving the lives of vulnerable children, and building families.

Without our generous donors, we would not be able to accomplish all that we do. Our thanks to each and every donor, large and small, for enabling us to make a difference, and to help each child we serve TO BE what they were BORN TO be.

Sue Krawitz – Operations Director





**Impilo Child Protection & Adoption Services**

(Registration number 2003/012123/08)

Registered CPO & Accredited Adoption Organisation (National & Intercountry) NPO 055-213

Annual Financial Statements  
for the year ended 31 March 2023

These annual financial statements were prepared by:  
Lyn Bunce  
Chartered Accountant (SA)

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 20 June 2023

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

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

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# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, 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 and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The 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.

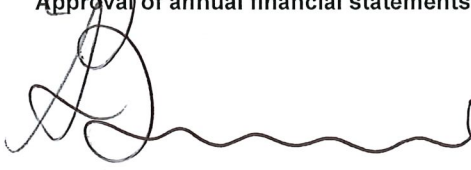
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 31 March 2024 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 external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 - 5.

The annual financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the board of directors on 20 June 2023 and were signed on its behalf by:

### Approval of annual financial statements



LE Bunce



AK Maditse

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Directors' Report

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The directors have pleasure in submitting their report on the financial statements of Impilo Child Protection and Adoption Services NPC for the year ended 31 March 2023.

### 1. Nature of business

Impilo Child Protection and Adoption Services NPC is engaged in providing adoption and protection services.

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

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period..

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements. The Board has pleasure in presenting its report for the period ended 31 March 2023.

### 3. Directors

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

#### Directors

AK Maditse  
FG Mclachlan  
GA Sacks  
J Michael  
LE Bunce

### 4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Going concern

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.





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## Independent Auditor's Report

To the Directors of Impilo Child Protection & Adoption Services

### Qualified Opinion

We have audited the annual financial statements of Impilo Child Protection & Adoption Services, set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2023, 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 present fairly, in all material respects, the financial position of Impilo Child Protection & Adoption Services as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for Qualified Opinion

Cash and asset donations are a minor source of fundraising revenue for Impilo Child Protection and Adoption Services NPC. While the directors accept that there may be difficulties in enforcing internal controls over the collection of cash and asset donations prior to the initial entry into its financial records, every effort is made to ensure that procedures are compiled with and monies are safeguarded. Nevertheless, we were unable to confirm whether all cash and asset donations were 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 company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA 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 directors are responsible for the other information. The other information comprises the information included in the document titled "Impilo Child Protection & Adoption Services annual financial statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on page 14. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Founder: HB Joel  
Partners: D Smith, T F Subotzky



HOWARD JOEL AND COMPANY  
CHARTERED ACCOUNTANTS (S A)

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## Independent Auditor's Report

### Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors 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 directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

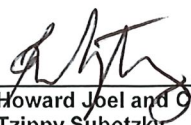
### Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

We communicate with the 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.

  
Howard Joel and Company  
Tzippy Subotzky  
Partner  
Chartered Accountants (SA)

20 June 2023  
Bedfordview

Founder: HB Joel  
Partners: D Smith, T F Subotzky

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	31 March 2023	31 March 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	<u>2 358 216</u>	<u>2 481 291</u>
<b>Current Assets</b>			
Cash and cash equivalents	3	<u>121 176</u>	<u>680 803</u>
<b>Total Assets</b>		<u><b>2 479 392</b></u>	<u><b>3 162 094</b></u>
<b>Equity and Liabilities</b>			
<b>Reserves</b>			
Accumulated surplus		<u>2 112 063</u>	<u>2 759 607</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	4	<u>236 895</u>	<u>279 087</u>
<b>Current Liabilities</b>			
Trade and other payables	5	45 613	40 922
Other financial liabilities	4	76 630	71 917
Bank overdraft	3	8 191	10 561
		<u>130 434</u>	<u>123 400</u>
<b>Total Liabilities</b>		<u><b>367 329</b></u>	<u><b>402 487</b></u>
<b>Total Equity and Liabilities</b>		<u><b>2 479 392</b></u>	<u><b>3 162 094</b></u>



# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Comprehensive Income

Figures in Rand	Note(s)	12 months ended 31 March 2023	15 months ended 31 March 2022
Revenue	6	4 598 073	6 653 023
Other income		-	20 000
Operating expenses		(5 233 215)	(6 095 352)
<b>Operating (loss) surplus</b>		<b>(635 142)</b>	<b>577 671</b>
Investment income	7	13 490	12 894
Finance costs	8	(25 892)	(24 556)
<b>(Loss) surplus for the period</b>		<b>(647 544)</b>	<b>566 009</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) surplus for the period</b>		<b>(647 544)</b>	<b>566 009</b>

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
<b>Balance at 01 April 2021</b>	<b>2 193 598</b>	<b>2 193 598</b>
Surplus for the period	566 009	566 009
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>566 009</b>	<b>566 009</b>
<b>Balance at 01 April 2022</b>	<b>2 759 607</b>	<b>2 759 607</b>
Loss for the year	(647 544)	(647 544)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(647 544)</b>	<b>(647 544)</b>
<b>Balance at 31 March 2023</b>	<b>2 112 063</b>	<b>2 112 063</b>

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Cash Flows

Figures in Rand	Note(s)	12 months ended 31 March 2023	15 months ended 31 March 2022
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	9	(485 008)	436 614
Interest income		13 490	12 894
Finance costs		(25 892)	(24 556)
<b>Net cash from operating activities</b>		<b>(497 410)</b>	<b>424 952</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(22 368)	(438 540)
Sale of property, plant and equipment	2	-	20 000
<b>Net cash from investing activities</b>		<b>(22 368)</b>	<b>(418 540)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(37 479)	(59 407)
<b>Net cash from financing activities</b>		<b>(37 479)</b>	<b>(59 407)</b>
<b>Total cash movement for the period</b>		<b>(557 257)</b>	<b>(52 995)</b>
Cash at the beginning of the period		670 242	723 237
<b>Total cash at end of the period</b>	3	<b>112 985</b>	<b>670 242</b>



# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 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 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company 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 company 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, except for land which is stated at cost less 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 company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Buildings	Straight line	Indefinite
Furniture and fixtures	Straight line	6 Years
Motor vehicles	Straight line	10 Years
Office equipment	Straight line	6 Years
IT equipment	Straight line	3 Years

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.

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 1.2 Financial instruments

#### Initial measurement

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

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or investment property accounted for on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 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 leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.5 Revenue

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

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



# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 March 2023	15 months ended 31 March 2022
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### 2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	1 499 866	-	1 499 866	1 499 866	-	1 499 866
Buildings	391 619	-	391 619	391 619	-	391 619
Furniture and fixtures	67 112	(53 111)	14 001	65 762	(49 395)	16 367
Motor vehicles	817 826	(392 935)	424 891	817 826	(269 363)	548 463
Office equipment	22 696	(11 783)	10 913	21 196	(8 064)	13 132
IT equipment	270 764	(253 838)	16 926	251 247	(239 403)	11 844
<b>Total</b>	<b>3 069 883</b>	<b>(711 667)</b>	<b>2 358 216</b>	<b>3 047 516</b>	<b>(566 225)</b>	<b>2 481 291</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land	1 499 866	-	-	1 499 866
Buildings	391 619	-	-	391 619
Furniture and fixtures	16 367	1 350	(3 585)	14 001
Motor vehicles	548 463	-	(123 703)	424 891
Office equipment	13 132	1 501	(3 720)	10 913
IT equipment	11 844	19 517	(14 435)	16 926
	<b>2 481 291</b>	<b>22 368</b>	<b>(145 443)</b>	<b>2 358 216</b>

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	428	532
Bank balances	120 748	680 271
Bank overdraft	(8 191)	(10 561)
	<b>112 985</b>	<b>670 242</b>
Current assets	121 176	680 803
Current liabilities	(8 191)	(10 561)
	<b>112 985</b>	<b>670 242</b>

### 4. Other financial liabilities

#### At amortised cost

ABSA mortgage loan current portion	76 630	71 917
ABSA mortgage loan long term portion	236 895	279 087
	<b>313 525</b>	<b>351 004</b>

Borrowing comprises the first mortgage bond over land and buildings situated at erf 32 Fairvale Ext 1, Johannesburg, bears interest at 9.45% pa and is repayable in monthly installments of R8 541.

#### Non-current liabilities

At amortised cost	236 895	279 087
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# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 March 2023	15 months ended 31 March 2022
<b>4. Other financial liabilities (continued)</b>		
<b>Current liabilities</b>		
At amortised cost	76 630	71 917
	<b>313 525</b>	<b>351 004</b>
<b>5. Trade and other payables</b>		
Payroll accrual	45 613	40 922
<b>6. Revenue</b>		
Adoption fees	1 348 290	1 494 494
Donations received	2 126 588	3 786 639
Government subsidies	1 078 700	1 323 664
Place of safety fees	44 495	48 226
	<b>4 598 073</b>	<b>6 653 023</b>
<b>7. Investment revenue</b>		
<b>Interest revenue</b>		
Bank and other cash	13 490	12 894
<b>8. Finance costs</b>		
Borrowings	25 892	24 556
<b>9. Cash (used in) generated from operations</b>		
(Loss) surplus before taxation	(647 544)	566 009
<b>Adjustments for:</b>		
Depreciation and amortisation	145 443	70 967
Profit on sale of assets	-	(20 000)
Interest received	(13 490)	(12 894)
Finance costs	25 892	24 556
Non-cash acquisition of motor vehicle	-	(148 100)
<b>Changes in working capital:</b>		
Trade and other payables	4 691	(43 924)
	<b>(485 008)</b>	<b>436 614</b>

# Impilo Child Protection & Adoption Services

(Registration number: 2003/012123/08)

Annual Financial Statements for the year ended 31 March 2023

## Detailed Income Statement

Figures in Rand	Note(s)	12 months ended 31 March 2023	15 months ended 31 March 2022
<b>Revenue</b>			
Rendering of services		1 348 290	1 494 494
Adoption fees		44 495	48 226
Donations received		2 126 588	3 786 639
Government grants and subsidies		1 078 700	1 323 664
	6	<b>4 598 073</b>	<b>6 653 023</b>
<b>Other income</b>			
Gains on disposal of assets		-	20 000
<b>Operating expenses</b>			
Accounting fees		40 663	44 929
Adoption services		63 993	62 056
Advertising		16 990	24 055
Babies medical		25 359	23 465
Bank charges		10 502	15 607
Birth mother assistance		18 232	33 740
Cleaning		20 673	41 405
Computer expenses		14 946	9 368
Consulting and professional fees		19 000	27 300
Courier services		6 862	11 163
Depreciation, amortisation and impairments		145 443	70 967
E - toll		777	1 424
Electricity and water		131 709	169 770
Employee costs		3 030 471	3 546 507
Entertainment		2 135	7 790
Expenditure applied against Ekurhleni funding*		262 995	275 482
Expenditure applied against Johannesburg funding*		545 757	574 467
Expenditure applied against Sedibeng funding*		261 175	324 201
Fees to other NGO's		108 152	163 300
Funeral expenses		-	5 000
Gifts		5 193	3 061
Groceries and nursery equipment		75 466	114 282
Home affairs dept		3 842	1 500
Insurance		123 401	114 897
Medical expenses		77 103	101 995
Personal Protection Equipment		-	5 819
Printing and stationery		25 173	35 295
Rates and taxes		12 971	13 389
Repairs and maintenance		24 907	30 207
Social Worker Council Fees		1 165	2 275
Social media		19 250	20 825
Telephone		21 708	27 885
Training		38 366	42 316
Transport		77 630	137 910
Travel - local		-	600
Uniforms		1 206	11 100
		<b>5 233 215</b>	<b>6 095 352</b>
<b>Operating (loss) surplus</b>		<b>(635 142)</b>	<b>577 671</b>
Investment income	7	13 490	12 894
Finance costs		(25 892)	(24 556)
		<b>(12 402)</b>	<b>(11 662)</b>
<b>(Loss) surplus for the period</b>		<b>(647 544)</b>	<b>566 009</b>