

DISTANCE 4 DIFFERENCE NON-PROFIT COMPANY
(Registration number 2003/028061/08)

Annual Financial Statements
for the year ended 28 February 2023

FinHub Chartered Accountants Incorporated
Chartered Accountants (SA)
Registered Auditors

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

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Distance 4 Difference Non-Profit Company

(Registration number: 2003/028061/08)

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The mobilisation of athletes to enable them to collect funds to be donated by the association to needy individuals and organisations.
Directors	E Kotze JM van Niekerk RS Pieterse S Roets WAS Coetzee Y Pieterse
Registered office	8 Heritage Close Hazelden Drive Heritage Park Somerset West Western Cape 7130
Postal address	PO Box 576 Somerset West Western Cape 7129
Bankers	ABSA Bank Limited
Auditors	FinHub Chartered Accountants Incorporated Chartered Accountants (SA) Registered Auditors
Non-Profit organisation number	182-816
Company registration number	2003/028061/08
Tax reference number	9223158164
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Finhub Accounting and Compliance Services Proprietary Limited

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The 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 directors set 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.

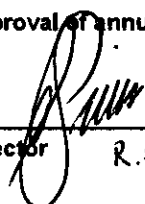
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 29 February 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 page 5 - 6.

The annual financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 18 January 2024 and were signed on its behalf by:

Approval of annual financial statements



Director R.S. PIETERSE



Director

Distance 4 Difference Non-Profit Company

(Registration number: 2003/028061/08)

Annual Financial Statements for the year ended 28 February 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Distance 4 Difference Non-Profit Company for the year ended 28 February 2023.

1. Incorporation

The company was incorporated on 10 November 2003 and obtained its certificate to commence business on the same day.

2. Nature of business

Distance 4 Difference Non-Profit Company was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

3. 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 of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

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

Directors
E Kotze
JM van Niekerk
RS Pieterse
S Roets
WAS Coetzee
Y Pieterse

There have been no changes to the directorate for the period under review.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 28 February 2023 the company's investment in property, plant and equipment amounted to R- (2022:R14), of which R- (2022: R-) was added in the current year through additions.

6. Going concern

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

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

FinHub Chartered Accountants Incorporated continued in office as auditors for the company for 2023.

Independent Auditor's Report

To the Directors of Distance 4 Difference Non-Profit Company

Qualified Opinion

We have audited the annual financial statements of Distance 4 Difference Non-Profit Company (the company) set out on pages 7 to 15, which comprise the statement of financial position as at 28 February 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 Distance 4 Difference Non-Profit Company as at 28 February 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 of South Africa.

Basis for Qualified Opinion

In common with similar organisations, formal accounting controls have not been instituted over sponsorships and donations received. We consider it impractical to audit these amounts beyond the figures recorded and accordingly express no opinion on these amounts.

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 "Distance 4 Difference Non-Profit Company annual financial statements for the year ended 28 February 2023", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 16. 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. As described in the Basis for Qualified Opinion section above, [insert description of matter]. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the [insert description of other information that is misstated] affected by this matter.

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 of South Africa, 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.

FinHub Chartered Accountants INC

FinHub Chartered Accountants Incorporated
ACG Durand
Director
Chartered Accountants (SA)
Registered Auditors

Date: 18 January 2024
Bellville

Distance 4 Difference Non-Profit Company

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Annual Financial Statements for the year ended 28 February 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	14
Current Assets			
Cash and cash equivalents	3	500 739	810 872
Total Assets		500 739	810 886
Equity and Liabilities			
Equity			
Retained income		498 995	810 885
Liabilities			
Current Liabilities			
Trade and other payables	4	1 744	1
Total Equity and Liabilities		500 739	810 886

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue	5	557 886	1 212 741
Operating expenses		(900 541)	(716 213)
Operating surplus (deficit)		(342 655)	496 528
Investment revenue	9	30 765	13 245
Surplus (Deficit) for the year		(311 890)	509 773



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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2021	301 112	301 112
Surplus for the year	509 773	509 773
Balance at 01 March 2022	810 885	810 885
Deficit for the year	(311 890)	(311 890)
Balance at 28 February 2023	498 995	498 995



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Annual Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from customers		549 423	1 225 987
Cash paid to suppliers and employees		(890 320)	(732 474)
Cash (used in) generated from operations	11	(340 897)	493 513
Interest income		30 765	13 245
Net cash from operating activities		(310 132)	506 758
Total cash movement for the year			
Cash and cash equivalents at the beginning of the year		810 871	304 114
Total cash at end of the year	3	500 739	810 872

Distance 4 Difference Non-Profit Company

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Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 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:

Item	Depreciation method	Average useful life
Furniture and fixtures	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.



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Accounting Policies

1.2 Property, plant and equipment (continued)

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.

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Tax

Tax expenses

The non-profit company has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act. The Public Benefit Organisation qualifies for exemption from income tax on its receipts and accruals other than receipts and accruals that do not qualify for exemption under section 10(1)(cN).

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment 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.

1.6 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.

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Accounting Policies

1.7 Revenue

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

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



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Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	-	-	-	59 321	(59 312)	9
IT equipment	-	-	-	30 652	(30 647)	5
Total	-	-	-	89 973	(89 959)	14

Reconciliation of property, plant and equipment - 2023

	Opening balance	Impairment loss	Closing balance
Furniture and fixtures	9	(9)	-
IT equipment	5	(5)	-
	14	(14)	-

Reconciliation of property, plant and equipment - 2022

	Opening balance	Closing balance
Furniture and fixtures	9	9
IT equipment	5	5
	14	14

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	24 485	53 483
Short-term deposits	474 974	757 223
Cash on hand	1 280	166
	500 739	810 872

4. Trade and other payables

Employee tax payable	1 744	1
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5. Revenue

Athlete sponsorships	70 215	459 218
Clothing sales	15 671	18 643
Donations received	358 050	691 743
Event entries	113 950	43 137
	557 886	1 212 741

6. Auditor's remuneration

Fees	13 283	12 650
Tax and secretarial services	-	1 164
	13 283	13 814

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
7. Employee cost		
Employee costs		
Basic	190 246	181 659
Bonus	15 986	15 297
UIF	1 854	1 617
Unpaid leave	(9 431)	(25 413)
Telephone allowance	3 627	3 627
	<u>202 282</u>	<u>176 787</u>
8. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Impairments		
Property, plant and equipment	<u>14</u>	<u>-</u>
9. Investment revenue		
Interest revenue		
Bank	<u>30 765</u>	<u>13 245</u>
10. Taxation		
The non-profit company has been approved as a Public Benefit Organisation in terms of section 30 of the Income Tax Act. The Public Benefit Organisation qualifies for exemption from income tax on its receipts and accruals other than receipts and accruals that do not qualify for exemption under section 10(1)(cN).		
11. Cash (used in) generated from operations		
Net (loss) profit before taxation	(311 890)	509 773
Investment income	(30 765)	(13 245)
Changes in working capital:		
Increase (decrease) in trade and other payables	1 743	(3 016)
	<u>(340 912)</u>	<u>493 512</u>
12. Categories of financial instruments		
Debt instruments at amortised cost		
Cash and cash equivalents	<u>500 739</u>	<u>810 872</u>

Distance 4 Difference Non-Profit Company

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Annual Financial Statements for the year ended 28 February 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Donations received		358 050	691 743
Event entries		113 950	43 137
Athlete sponsorships		70 215	459 218
Clothing sales		15 671	18 643
	5	<u>557 886</u>	<u>1 212 741</u>
Operating expenses			
Donations paid to various charity projects		555 464	451 317
Employee costs		202 282	176 787
Direct event cost		44 693	39 611
Merchandise		31 188	7 849
Software licenses		16 192	8 425
Advertising		13 766	3 150
Auditors remuneration	6	13 283	13 814
Ticket and donations platform fees		8 464	-
Storage		7 040	8 320
Bank charges		4 969	4 330
Entertainment and gifts		1 365	400
Accounting fees		1 025	1 610
Printing and stationery		596	400
Courier cost		200	200
Impairments		14	-
		<u>900 541</u>	<u>716 213</u>
Operating surplus (deficit)		(342 655)	496 528
Investment income	9	30 765	13 245
Surplus (Deficit) for the year		<u>(311 890)</u>	<u>509 773</u>

