

# **Operation Smile (South Africa) NPC**

(Registration number 2006/006513/08)

(NPO number 083-117 NPO)

Financial Statements

for the year ended 30 June 2023

These financial statements were prepared by:

Alan Billson

CA(SA)

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

Issued 07 December 2023

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To promote, sponsor and provide voluntary repair and specialised medical services and treatment to indigent children.
<b>Directors</b>	L D Auret A Madaree J Sive JJ Fourie NS Cossie
<b>Business address</b>	The Waverley Business Park Unit 17-103/4 5 Wycroft Road Observatory 7925
<b>Auditors</b>	Moore Cape Town Incorporated Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2006/006513/08
<b>Tax reference number</b>	9117201161
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The financial statements were independently compiled by: Alan Billson CA(SA)

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

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

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# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Directors' Responsibilities and Approval

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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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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.

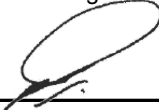
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for 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 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 30 June 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the board and were signed by:



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L D Auret



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J Sive

**Cape Town**

**Date:** 07 December 2023

## Independent Auditor's Report

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### To the Shareholders of Operation Smile (South Africa) NPC

#### Qualified Opinion

We have audited the financial statements of Operation Smile (South Africa) NPC (the company) set out on pages 7 to 16, which comprise the statement of financial position as at 30 June 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 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 financial statements present fairly, in all material respects, the financial position of Operation Smile (South Africa) NPC as at 30 June 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 organizations, it is not feasible for the company to institute accounting controls over cash collections from donations, donation received in kind and the relating expenses thereto, and income received from charitable events prior to initial entry in the accounting records. Accordingly, it was impractical for us to extend our examination beyond receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 "Operation Smile (South Africa) NPC financial statements for the year ended 30 June 2023", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 17 to 18. 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.

# Independent Auditor's Report

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## 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 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 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 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 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 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 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 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 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 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.

*Moore Cape Town Inc.*

**Moore Cape Town Inc.**  
**Chartered Accountants (SA)**  
**Registered Auditors**  
**Practice number: 900908**

**Per: Adele Smit**  
**Chartered Accountant (SA)**  
**Registered Auditor**

**Cape Town**

07 December 2023

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Directors' Report

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The directors have pleasure in submitting their report on the financial statements of Operation Smile (South Africa) NPC for the year ended 30 June 2023.

### 1. Nature of business

Operation Smile (South Africa) NPC was incorporated in South Africa.

The company is dedicated to helping underprivileged children born with cleft palate or cleft lip.

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

### 2. Review of financial results and activities

The 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 financial statements.

### 3. Directors

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

#### Directors

L D Auret

A Madaree

J Sive

JJ Fourie

NS Cossie

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

### 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 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 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.

### 6. Auditors

Moore Cape Town Incorporated (Practice number 900908) continued in office as auditors for the company for 2023.

### 7. Secretary

The company had no secretary during the year.

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Rand	Notes	2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	97 872	79 547
Other financial assets	3	2 313 331	526 532
		<u>2 411 203</u>	<u>606 079</u>
<b>Current Assets</b>			
Trade and other receivables	4	1 407 796	538 785
Cash and cash equivalents	5	5 937 988	6 079 549
		<u>7 345 784</u>	<u>6 618 334</u>
<b>Total Assets</b>		<u>9 756 987</u>	<u>7 224 413</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		<u>8 794 104</u>	<u>6 765 100</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	962 883	459 314
<b>Total Equity and Liabilities</b>		<u>9 756 987</u>	<u>7 224 414</u>



## Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

### Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	7	10 099 766	10 627 365
Other income		1 068	-
Operating expenses		(8 660 854)	(7 590 229)
<b>Operating profit</b>		<b>1 439 980</b>	<b>3 037 136</b>
Investment revenue	8	579 860	207 770
Finance costs	9	(610)	(1 020)
Fair value adjustments		9 774	-
<b>Profit for the year</b>		<b>2 029 004</b>	<b>3 243 886</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2 029 004</b>	<b>3 243 886</b>

## Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

### Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 July 2021</b>	<b>3 521 214</b>	<b>3 521 214</b>
Profit for the year	3 243 886	3 243 886
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3 243 886</b>	<b>3 243 886</b>
<b>Balance at 01 July 2022</b>	<b>6 765 100</b>	<b>6 765 100</b>
Profit for the year	2 029 004	2 029 004
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2 029 004</b>	<b>2 029 004</b>
<b>Balance at 30 June 2023</b>	<b>8 794 104</b>	<b>8 794 104</b>

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Statement of Cash Flows

Figures in Rand	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	1 121 862	3 051 665
Interest income	8	546 445	207 770
Finance costs	9	(610)	(1 020)
<b>Net cash from operating activities</b>		<b>1 667 697</b>	<b>3 258 415</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(65 649)	(77 147)
Purchases of other financial assets		(2 000 000)	-
Proceeds from sales of other financial assets		256 391	-
<b>Net cash from investing activities</b>		<b>(1 809 258)</b>	<b>(77 147)</b>
<b>Total cash movement for the year</b>		<b>(141 561)</b>	<b>3 181 268</b>
Cash and cash equivalents at the beginning of the year		6 079 549	2 898 281
<b>Total cash at end of the year</b>	5	<b>5 937 988</b>	<b>6 079 549</b>

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The 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 financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow, 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.

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
Furniture and fixtures	Straight line	6 years
Office 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.

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.

#### 1.2 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.

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.2 Financial instruments (continued)

#### 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 or 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 Tax

#### Current tax assets and liabilities

The company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(nC) of the Act.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### 1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that any assets 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.

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 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.

### 1.7 Revenue

Revenue represents donations received in cash and kind and grant income received from Operation Smile Incorporated.

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

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Notes to the Financial Statements

Figures in Rand

2023

2022

### 2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	11 543	(7 856)	3 687	11 543	(5 932)	5 611
IT equipment	220 404	(126 219)	94 185	154 755	(80 819)	73 936
<b>Total</b>	<b>231 947</b>	<b>(134 075)</b>	<b>97 872</b>	<b>166 298</b>	<b>(86 751)</b>	<b>79 547</b>

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

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	5 611	-	(1 924)	3 687
IT equipment	73 936	65 649	(45 400)	94 185
	<b>79 547</b>	<b>65 649</b>	<b>(47 324)</b>	<b>97 872</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	7 535	-	(1 924)	5 611
IT equipment	18 395	77 147	(21 606)	73 936
	<b>25 930</b>	<b>77 147</b>	<b>(23 530)</b>	<b>79 547</b>

### 3. Other financial assets

#### At fair value

Corion Investment	2 009 774	-
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#### At amortised cost

Fixed deposit	303 557	526 532
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The fixed deposit has been ceded to Investec Private Bank as security for banking facilities provided.

#### Total other financial assets

<b>2 313 331</b>	<b>526 532</b>
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#### Non-current assets

At fair value	2 009 774	-
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At amortised cost	303 557	526 532
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<b>2 313 331</b>	<b>526 532</b>
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### 4. Trade and other receivables

Trade receivables	99 994	30 000
Employee costs in advance	-	348 951
Investec credit card prepayment	38 282	-
Deposits	59 166	-
VAT	25 350	17 135
Accrued income	-	8 584
Amounts due from Operation Smile Incorporated	1 184 844	126 292
Amounts due from employees	160	7 823
	<b>1 407 796</b>	<b>538 785</b>

# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Notes to the Financial Statements

Figures in Rand	2023	2022
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	-	25 868
Short-term deposits	5 069 902	5 876 372
Other cash and cash equivalents	868 086	177 309
	<b>5 937 988</b>	<b>6 079 549</b>
Operation Smile (SA) NPC has a credit card facility with Investec Private Bank with a credit limit of R300,000.		
<b>6. Trade and other payables</b>		
Trade payables	547 717	263 371
Amounts due to employees	19 993	24 029
Investec credit card	-	51 225
Accrued expense	-	21 350
Provision for leave pay	291 657	62
Amounts received in advance	103 516	99 277
	<b>962 883</b>	<b>459 314</b>
<b>7. Revenue</b>		
Donations income	5 469 570	2 978 332
Head office grant	4 187 583	6 985 864
In kind donations	442 613	663 169
	<b>10 099 766</b>	<b>10 627 365</b>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	579 860	207 770
<b>9. Finance costs</b>		
Bank	610	1 020
<b>10. Cash generated from operations</b>		
Net profit before taxation	2 029 004	3 243 886
<b>Adjustments for:</b>		
Depreciation	47 324	23 530
Fair value (gains) losses	(9 774)	-
Non-cash items	-	(20 973)
Investment income	(579 860)	(207 770)
Finance costs	610	1 020
<b>Changes in working capital:</b>		
(Increase) decrease in trade and other receivables	(869 010)	(327 216)
Increase (decrease) in trade and other payables	503 568	339 188
	<b>1 121 862</b>	<b>3 051 665</b>



# Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

## Notes to the Financial Statements

Figures in Rand

2023

2022

### 11. Taxation

#### Non provision of tax

No provision has been made for 2023 tax as the company has no taxable income. The company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(nC) of the Act.

### 12. Going concern

The 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 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.

### 13. Commitments

#### Operating leases – as lessee (expense)

##### Minimum lease payments due

- within one year	342 071	325 985
- in second to fifth year inclusive	86 561	82 389
	<b>428 632</b>	<b>408 374</b>

Operating lease payments represent rentals payable by the company for certain of its office properties. No contingent rent is payable.

### 14. 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.

## Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

### Detailed Income Statement

Figures in Rand	Notes	2023	2022
<b>Revenue</b>			
Donations income		5 469 570	2 978 332
In kind donations		442 613	663 169
Head office grants		4 187 583	6 985 864
	7	<b>10 099 766</b>	<b>10 627 365</b>
<b>Other income</b>			
Other income		1 068	-
<b>Expenses (Refer to page 18)</b>		<b>(8 660 854)</b>	<b>(7 590 229)</b>
<b>Operating profit</b>		<b>1 439 980</b>	<b>3 037 136</b>
Investment income	8	579 860	207 770
Finance costs	9	(610)	(1 020)
Fair value adjustments		9 774	-
		<b>589 024</b>	<b>206 750</b>
<b>Profit for the year</b>		<b>2 029 004</b>	<b>3 243 886</b>

## Operation Smile (South Africa) NPC

(Registration number: 2006/006513/08)

Financial Statements for the year ended 30 June 2023

### Detailed Income Statement

Figures in Rand	Notes	2023	2022
<b>Operating expenses</b>			
Advertising		94 231	596 722
Auditors remuneration		91 250	84 461
Bank charges		73 223	42 173
Cleaning		-	391
Communications		-	732
Conference Expenses		63 378	-
Courier and Postage		70 290	13 974
Delivery expenses		20 000	-
Depreciation, amortisation and impairments		47 324	23 530
Education Consumables		9 919	541
Education Materials		3 954	30 473
Employee costs		4 093 012	1 486 689
General and Sundry expenses		359 442	16 364
Gifts		45 642	10 200
Grant expenses		-	4 033 642
Insurance		70 610	59 258
Lease rentals on operating lease		283 413	275 690
Loss on exchange differences		299 168	1 095
Medical expenses		434 884	83 750
Non-medical supplies		60 885	6 939
Donations		84 682	-
Other consulting and professional fees		241 838	106 970
Petrol and oil		79 067	69 607
Printing and stationery		66 379	35 792
Protective clothing		5 231	-
Repairs and maintenance		45 515	33 061
Staff welfare		31 274	6 267
Subscriptions		57 759	70 118
Telephone and fax		44 224	29 903
Transport and freight		321 769	97 764
Travel - local		1 499 842	332 110
Utilities		62 649	42 013
		<b>8 660 854</b>	<b>7 590 229</b>