



# ANNUAL REPORT

MARCH 2020 - FEBRUARY 2021



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# Letter from the CEO



**Phinah Kodisang**  
*Chief Executive Officer*

**After two decades as a respected brand in the edutainment field, Soul City Institute for Social Justice (SCI) is pushing on to new heights.**

**Our theme for 2020 is the 'Year of Transformation' as we go through radical change and assuming a strategy that cements the organisation as an intersectional feminist organisation.**

## A mixture of challenges

The period under review has been a mixture of challenges faced by the whole country in light of Covid-19 and the restrictions that came with the pandemic. It presented challenges for the work we do in communities and forced us to examine how we relate to one another as human beings and how we value our interconnectedness.

While we found ourselves having to live in a changed world, some things remained unchanged. We noted with concern the impact of Covid-19 on gender-based violence (GBV). Now more than ever, it was clear we needed to change everything about the treatment of women in our country.

The pandemic created an opportunity for us to reflect on how we can better engage as activists, how we can uplift each other and strengthen the feminist movement to uproot patriarchy and all that it represents.

We had an opportunity to define for ourselves what must change, what that change will look like, what resources we require to bring about that change and how we can partner with government to re-imagine and create a society that recognises and treats women with dignity and respect with equitable access to rights and justice.

## A new Theory of Change

Recent years have seen greater attention given to issues affecting girls, but adolescent girls and young women still struggle to access funding to support their activism. While the enthusiasm to enact change by forming their own action groups is there, the funding landscape for girls is sparse.

Soul City reviewed its Theory of Change and revised its strategy. Our new Theory of Change centres a feminist approach that draws on strategic priorities to guide our work for the next three years. The intention is to collaborate on strategic actions that influence and advocate for an end to patriarchal norms and structures that perpetuate inequality, in order to reach the goal where:

- (1) Social norms, systems and structures that perpetuate patriarchy are disrupted; and
- (2) There is an improved recognition, respect and protection for young women's rights.

# Chairperson's report



**Nadia Bulbulia**  
*Board Chairperson*

**In an environment of uncertainty and negative economic outlook, we are pleased that despite the challenges facing South Africa, the strong financial performance of SCI provides a stable future for the organisation.**

**SCI continues to play a strategic role through the consistent and effective implementation of its mandate. Its performance is unpacked in this report and we are encouraged by the invaluable contribution made to sustaining livelihoods in the most vulnerable communities.**

## Overview

It is a pleasure to present the Chairperson's report for the reporting period ended 28 February 2021 – a year characterised by an unprecedented global health emergency. SCI rose to the challenge by playing its part not only in curbing the spread of the coronavirus, but also in amplifying the rights of women and girls in addressing inequality, gender-based violence and patriarchy.

This Annual Report encapsulates the SCI's performance in line with the objectives and targets set in its five-year business plan.

## Financial sustainability

As at 28 February 2021, Soul City Institute remained in a sound financial position.

## Corporate governance

Board and Board Committee meetings were well attended and held according to the organisational business cycle. Critical issues dealt with included the formulation of organisational strategy, oversight of organisational performance and the expectations of the executives, among others.

Board members have diverse skills and expertise that are put to good use in providing leadership and guidance in the development of strategy. The Board prides itself on being inter-generational, women-led and representative of South African

society. The Board functions at a strategic level and in line with its mandate.

## Key highlights

Significant movement was seen in the strategic realignment during the financial year under review.

In this regard, two key developments are worth noting: Soul City reviewed its Theory of Change and revised its strategy and adopted a feminist strategy, prioritising support for the rights and activism of young women who are the most vulnerable.

## Acknowledgements

On behalf of the Board of Directors, I would like to recognise our donors, business partners and stakeholders for your continued support.

We wish to thank the Soul City Institute's executive team for their strategic leadership, management and employees for their continued commitment to the sustainability and performance of the organisation. They have demonstrated deep commitment to this business, and I have no doubt that, with their continued efforts, we will emerge stronger.

I would also like to sincerely thank my fellow Board members for their counsel, support and dedication throughout the year and for delivering a strong corporate governance environment.

# Who we are

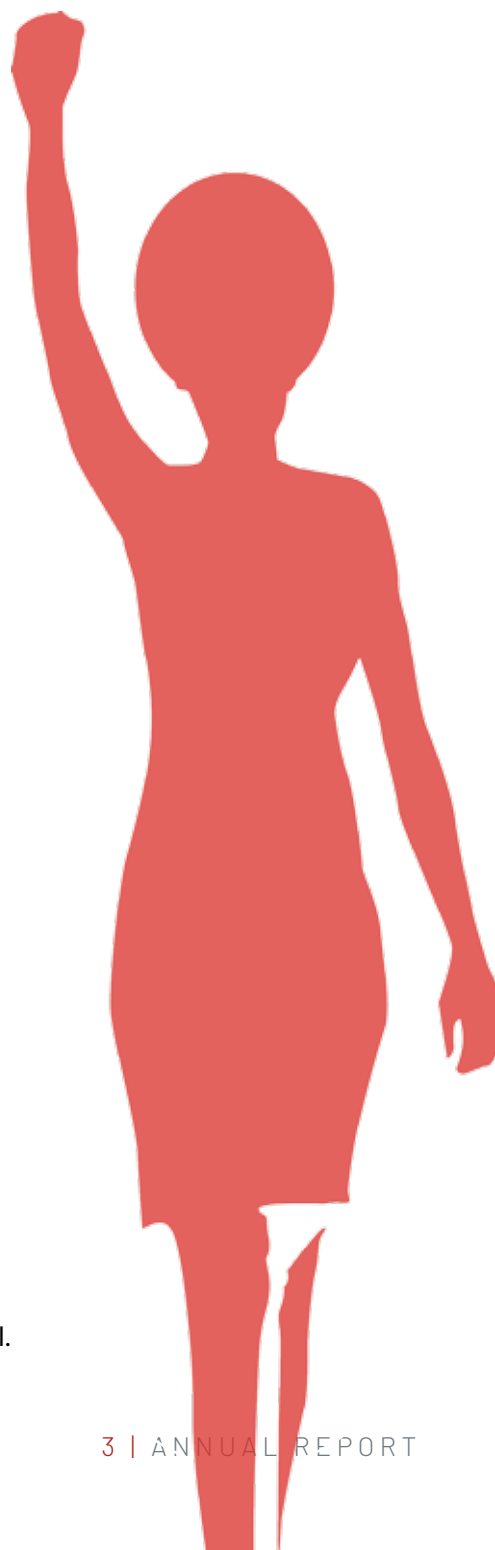
The Soul City Institute for Social Justice (SCI) is a South African non-governmental organisation and implements its vision and mission through a methodology that combines media, advocacy and social mobilisation. Our head office is based in Johannesburg South Africa and our programmes are a mix of national as well as provincial initiatives.

SCI has a footprint across all nine provinces in South Africa through its Rise and Soul Buddyz Club movements which are located in some of the most marginalised communities in the country.

The SCI is funded through a combination of government and donor support as well as through dividends generated through its Soul City Broad-Based Empowerment Company (SCBBEC). The company is an independent entity established to build an asset base of investments through participating as a partner in broad-based empowerment transactions which are able to generate an ongoing source of dividend income to ensure the longer-term sustainability of the SCI. The SCI is the sole beneficiary of the SCBBEC which has its own independent board of directors.

## Our vision

Young women and girls fully realise their human rights in a just society and are able to live with dignity and self-determination and have the health and well-being to grow, flourish, and reach their full potential.



## Our mission

We support and amplify young women's feminist consciousness, voice, agency and activism to dismantle patriarchy, protect their rights and enable their self-determination.

We are committed to:

- Ensuring that young women and girls access resources and opportunities so that they enjoy substantive equality.
- Promoting a just society where all people share a common humanity, a respect for human rights, and a fair allocation of resources.
- Catalysing investments that amplify women's voices and build women's movements
- The right to equality within the South African Constitution and particularly the sections that guarantee the right to bodily integrity and autonomy in the context of SRHR.

Our vision and mission are aligned with Agenda 2030 (Global Sustainable Development Goals), the African Charter on Human and People's Rights on the Rights of Women in Africa (the Maputo Protocol), the SADC Protocol on Gender and Development, Beijing Plus Twenty and Africa Agenda 2063.



# Strategic focus

SCI has adopted a feminist strategy, prioritising support for the rights and activism of young women who are the most vulnerable on many levels, but who have the energy, motivation and commitment to address inequality.

This strategy builds on over two decades of SCI's work as the Soul City Institute for Health and Development Communication, which focused on social and behaviour change communication (SBCC) to promote health and well-being. Its focus was on people from communities marginalised through socio-economic status, race, gender and disability with a focus on sexual and reproductive health and rights (SRHR) and addressing GBV.

Soul City's new strategy is part of a process that started in 2015 as Vision 2020 to address the programmatic changes triggered by the economic downturn of 2010 and subsequent shifts in funding. This has impacted Soul City's programmes and the organisation was compelled to review not only how to survive, but its relevance and who it should be as an organisation, 20 years on from South Africa's democracy.

SCI shifted its focus from the general public, to one that focussed specifically on young women and girls. In 2020, the SCI radicalised its vision to one that took into account the growing acknowledgement that a focus on "the empowerment of young women and girls" did not go far enough to achieve gender equity.

In its 'Year of Transformation', the SCI formally adopted "intersectional feminism" as its driving force and defining vision, in order to grow a new generation of young people who can build a non-sexist society that recognises, respects and proactively realises the rights of women in all their diversity. The organisation's logo reflects these changes.

The SCI is committed to ensuring that young women and girls enjoy full equality, which enables them to access resources and opportunities. It is an organisation that promotes a just society and ensures equitable treatment where all people share a common humanity, a respect for human rights, and a fair allocation of resources.

SCI is guided by rights in the South African Constitution to equality and that guarantees all South Africans the rights to bodily integrity and autonomy.

## Guiding principles

1. Our work is rooted in the principles of feminism and social justice. We defend the full spectrum of human rights for women and girls in all their diversities.
2. We believe in young women speaking for themselves and in the importance of feminist movement building.
3. We believe in the importance of participatory approaches that interrogate the fundamental notions of power.
4. We believe that the personal is political and are committed to walking our talk.
5. We strive for individual and organisational excellence, accountability and rigour in the work that we do. We commit to sustaining a dynamic, cutting-edge feminist organisation.
6. We are committed to building and sustaining a learning organisation that innovates and improves through challenging its own and conventional wisdom.
7. We believe in investing in diverse and different actors and in the power of collaboration to advance our feminist agenda.

## Our Theory of Change

**IF** we amplify and resource the voices and capacities of young women and girls to lead their activism **AND** we collaborate on strategic actions that shift harmful norms, laws and practices fuelling gender inequality, **THEN** we build young feminist movements and a cadre of women activists that will contribute to the dismantling of patriarchy and enable young women to achieve self-determination, fully realising their human rights and living with dignity.



# Our future is feminist

We aim to put into practice the inclusivity and intersectionality proposed in feminism.

## Feminism and social justice

Feminism is the struggle against patriarchal power and social injustice that perpetuates women's inequality, oppression and discrimination. In South Africa, social justice is reflected in the call for the end to racial discrimination and the promotion of rights for women, workers and other vulnerable people. Social injustice is reflected in the ideologies of white supremacy (racism), male superiority (patriarchy), and racial capitalism.

SCI recognises that the realities and experiences of young women are shaped by patriarchy – the system of male authority that legitimises the oppression of women through political, social, cultural and religious institutions. It is by challenging the systems of oppression and exploitation, that young women and girls will be able to enjoy their rights to dignity and well-being.

We subscribe to the feminist approach that focuses on dismantling patriarchy as a system and investing individual and institutional energies in the struggle against all forms of patriarchal oppression and exploitation.

We also believe that self-led young women's groups are well placed to use their own experiences, and knowledge of the social norms and customs in their communities, to implement strategies that are likely to have long-term impact and secure greater inclusion and justice. These groups exhibit tremendous energy, creativity and sustained commitment to pushing boundaries to secure such change.





## Intersectionality

SCI seeks to work with young women from a foundation of recognising the diversity of this group and the intersectionality which defines their lives. Intersectionality recognises the myriad of ways in which power and oppression are exerted in the lives of women and manifests in cross-cutting oppression, including gender, race and class.

**“We can’t have single issue struggles because we don’t live single issue lives.” – Audre Lorde**

The term ‘intersectionality’ was coined by Professor Kimberlé Crenshaw to describe how race, class, gender, and other individual characteristics “intersect” with one another and overlap.

**“We tend to talk about race inequality as separate from inequality based on gender, class, sexuality or immigrant status. What’s often missing is how some people are subject to all of these, and the experience is not just the sum of its parts.”<sup>1</sup>**

Our definition of young women includes all people who self-identify as young women (gender non-conforming, including lesbian, bisexual, trans and intersex) between the ages of 10-24 years old. The age group will be increased to age 35 in the next financial year’s plans.

## The problem we are trying to solve

**“As we increasingly realize that the current development paradigm is not necessarily getting us closer to equality and that the architecture of the global economic system by design equates to unequal power relations, it is clear that we need to be bold and shake things up.”<sup>2</sup>**

Young women and girls experience rights violations in their daily lives. These violations include sexual- and gender-based violence, lack of economic opportunities, discrimination and limited access to their sexual and reproductive health and rights.

Operating in volatile and resource-constrained environments, young feminists are organising, facing backlash and barriers within their communities, societies and their own movements. The mobilisation, courage and experience of this generation have an important role to play in redefining a just development and human rights agenda ahead.

Coming from diverse movements and contexts, and using art, technology and sport as key tactics in their work, their contributions can make development more responsive, grounded and sustainable. They are collectively re-imagining how to work together across generations and movements, and how to leverage both critical mass and the technology available to hold all actors accountable.

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1. <https://time.com/5786710/kimberle-crenshaw-intersectionality/>

2. Johnson, R. (2015). 20 Years of Mobilization: The Role of Young Feminists. UNRISD.



# Highlights of our feminist work

Among the many interventions undertaken this financial year were the appointment of two new board members, Hlengiwe Ndlovu and Abongile Xhantini, who represent the organisation's feminist value of inclusivity and focus on youth.

## Challenging the status quo

Some of the responsibilities that the organisation assumed as an intersectional feminist organisation was the monitoring and holding leaders accountable for the different issues raised around GBV and femicide.

During the year under review, SCI released seven media statements:

- *The Soul City Institute calls on President Ramaphosa to act on ANC MP, Mr Boy Mamabolo.* (24 February 2020)
- *SCI calls on Minister Cele to act swiftly against GBV.* (3 April 2020)
- *Soul City Institute demands justice for Tshhegofatso Pule.* (12 June 2020)
- *The Soul City Institute applauds the appointment of Board Deputy Chairperson, Dr Tlaleng Mofokeng as the Special Rapporteur on The Right to Health to the United Nations.* (1 July 2020)
- *Boys to Men: Something has to change: Soul City supports call for #JusticeforKwasa.* (20 August 2020)
- *It's A Feminist Thing - Soul City Institute presents SA's First Unapologetically Feminist Talk Show.* (22 October 2020)
- *Soul City Institute calls on President Ramaphosa to address the Elephant in the Living Room - 16 Days of Activism.* (25 November 2020)

## Setting the trend

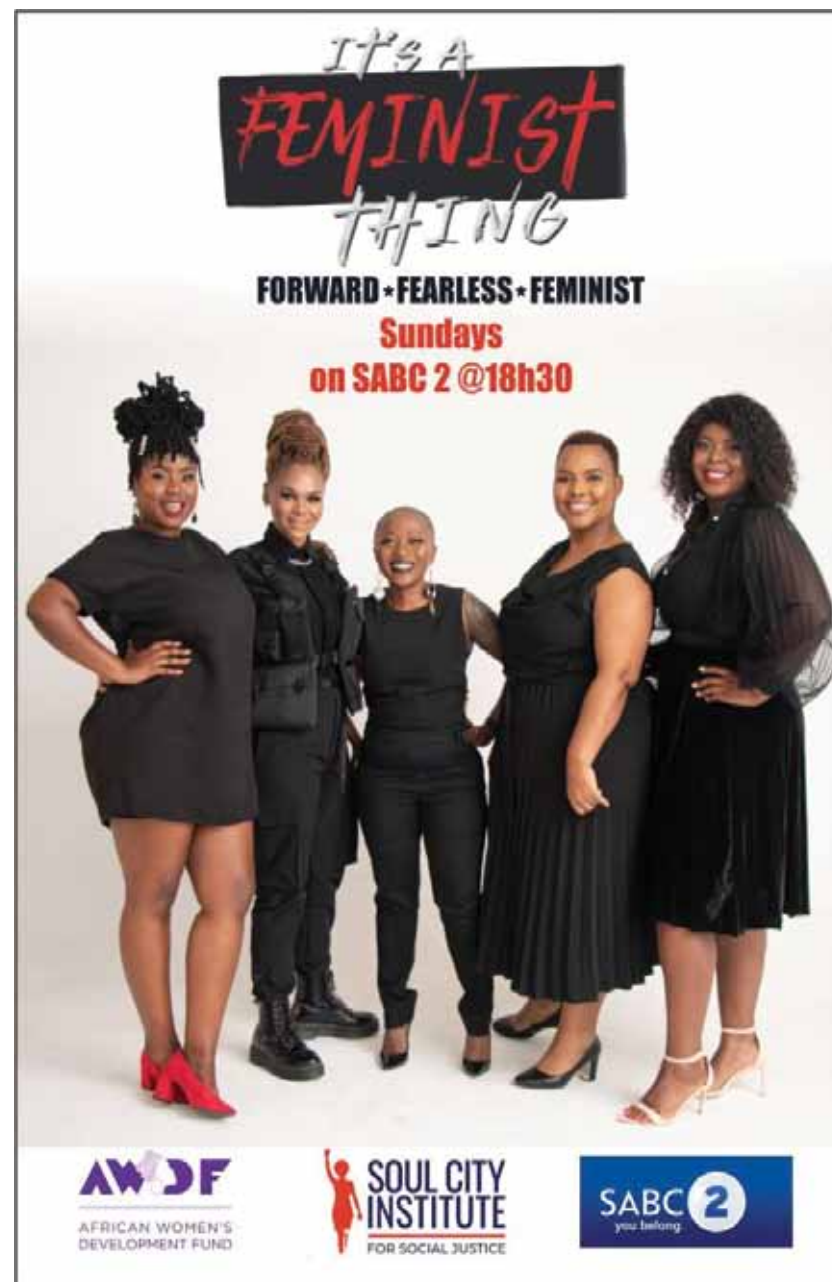
A highlight of the year was the production of the first-of-its-kind TV talk show, “It’s a Feminist Thing”. SCI partnered with the public broadcaster, SABC and the talk show went on air on 1 November 2020 at 6.30pm on SABC2.

The 48-minute show explored relationships, the ways that women love, support and empower each other, the complex issues driving GBV and patriarchy’s divisive power. Inter-generational in nature, the show engaged with patriarchy not as theory, but as lived reality. The show encouraged debate and challenged audiences to rethink harmful and deep-seated attitudes and beliefs.

The talk show was accompanied by eight high-value, thought-provoking public service announcements (PSAs). The one-minute PSAs explored topics such as rape and domestic violence, and were aired at the beginning and end of each episode. The talk show garnered good coverage in print and online media, reaching over 32 million.

### It’s a Feminist Thing Print & online coverage

Publication	Reach in millions
News24	16.4
IOL	7.2
The Citizen	3.7
Mail & Guardian	1.6
Sowetan Live	0.9
Daily Sun	0.7
MSN.com	0.6
PopMatters	0.5
Opera News	0.3
The South African TV Authority	0.2
<b>Total</b>	<b>32.1</b>





# Application of feminist technology

SCI rolled out the following two innovative interventions using feminist technology to respond to GVB: Safetipin and rAINbow.

Feminist technology involves using technological innovations for the safety and equality of women.

**60%** of countries have yet to achieve gender parity when it comes to access to technology – United Nations Educational 2010.



## Safetipin

The SCI has in partnership with Safetipin won the Womanity Foundation Grant in 2018. The award is granted in support of projects improving safety for women in public spaces. Safetipin is a social enterprise based in Delhi, India. The organisation has developed cutting-edge technology designed to make cities and communities safer for women.

The SCI is implementing the Safetipin project in eThekweni in partnership with the eThekweni municipality. Safetipin works to empower women through identifying factors causing fear in cities and collecting the data in an online platform. SCI also sends cars out at night, equipped with cameras to document the safety parameters in different areas, including street lighting.

This crowdsourcing of information has two functions. Firstly, it remains on the platform so that women can see other women's experiences of the city and make choices about which routes to take to ensure their safety. Secondly, the data is analysed by Safetipin India and areas of concern are highlighted as hotspots. Safetipin makes concrete recommendations to city stakeholders on how to make streets, public spaces and public transport safer and prevent violence so women can exercise agency and make choices about their lives.

The SCI and Safetipin partnership is working with the eThekweni municipality to ensure these changes are made. At the same time, the SCI is working with two teams of young women in KwaMashu and KwaNdengezi who have conducted Safetipin audits in their local communities with a particular focus on taxi ranks. Safetipin India has analysed the data and made specific recommendations based on these audits. The SCI has trained these young women to advocate effectively and they will be engaging directly with their local civic representatives to ensure their recommendations are taken up.

The reporting period saw South Africa under different levels of Covid-19 lock down. This meant that Safetipin Nite and the My Safetipin audits scheduled for the first quarter of 2020 were delayed. Despite the difficult circumstances several key activities were undertaken, and milestones achieved.

A social media campaign is a key feature of the Safetipin project, and the main objective is to encourage downloads of the Safetipin App by young women. To complement the social media activities, the App was featured in issues of the Rise magazine. The Safetipin App was profiled during episode #2 of the TV talk show "It's a Feminist Thing".

A gender equal city is one in which urban spaces have been **designed for equality**. It secures equal access and the right to public spaces for all. However, cities have often been built for the "neutral" male user neglecting the needs and interests of women in the city. Walkability, lighting visibility, proximity to services, security and overall safety aren't just important for women – they also create equal opportunities for all, leading to a more **inclusive and livable city**.



**“When we talk about gender safe and inclusive cities, we know that it also means gender equal. With equal representation in design and implementation, a city is not equal for everyone. And without equality, there is no safety.” – (Safetipin)**

## rAlnbow

Developed in partnership with AI for Good, a UK-based tech organisation, this digital platform uses artificial intelligence and storytelling to help survivors of domestic violence find support and access to resources. It provides a safe and anonymous space that is available for free, 24/7 on Facebook Messenger. Since its inception in late 2018, rAlnbow has had 17 652 unique users with a total of 821 802 messages exchanged.

rAlnbow was developed to be:

- **A non-judgmental, unbiased companion:** users can reach out anonymously and in private, without the fear of being stigmatised in their communities.
- **24/7 chat:** users can chat at whatever time is convenient for them, quickly leave the conversation if they need, and return at a later stage to continue it. Support is available whenever someone needs it.
- **Ease of accessibility:** the tool is simple to understand, free to use, and available to anyone looking for support.
- **A discreet and safe means of communication:** The text-based solution is a safer option for many experiencing abuse.
- **Culturally sensitive and easy to understand language:** rAlnbow understands informal texting, low literacy, legal jargon and common misspellings. Stories and characters represent the diversity in community and culture of South Africa so that scenarios feel familiar to those seeking help.

## A feminist learning and activism centre

As an intersectional feminist NGO, we identified the establishment of a feminist learning and activist centre (FLAC) as a key strategic intervention which could contribute significantly to strengthening the wider feminist project nationally and regionally in addressing violence against women.

SCI embarked on a conceptualisation process in 2019 and with funding received from the Ford Foundation, refined the conceptualisation of the centre in 2020 through a process that valued co-creation in conceptual design, planning and implementation. A broad curriculum outline was identified. The centre will be piloted in the next financial year.



# Social mobilisation

School closures across the country during the reporting period meant that our mobilisation programme could no longer be carried out as designed.

While Soul Buddyz and Rise Young Women Clubs could not meet in person our social mobilisation activities continued through partnerships with local radio stations to expand our reach to 787 000 listeners inclusive of our 28 000 Rise and Soul Buddyz club members. PSAs produced for national and local radio stations reached a potential of over 32 million people (national) and 1.5 million (community radio).

Our communication strategy aligned with the shared objectives of our funders, the National Department of Health (NDOH) and United Nations Population Fund (UNFPA) and included key messages on Covid-19, GBV, HIV testing services (HTS), adherence to medication, SRHR, PEP (post-exposure prophylaxis) and PrEP (pre-exposure prophylaxis), prevention of teenage pregnancy, condom use, and mental health.



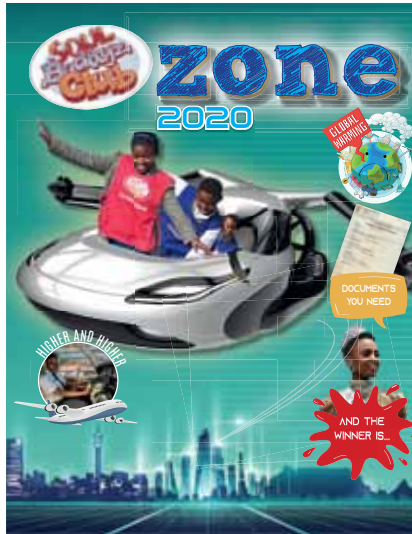
# Soul Buddyz Clubs

The Soul Buddyz Clubs, a flagship programme of Soul City, has been ongoing for over 18 years.

The programme is implemented in all nine provinces, among school children between 8-14 years old.

The Soul Buddyz Clubs were the most affected by Covid-19 as face-to-face meetings could not continue. The clubs received their club magazines so that they could continue to learn.

A total of 45 000 booklets were distributed to club members (22 500 copies of the Unit Guide and the same number of the Zone magazine).



## Club objectives

1. Create an environment for ongoing learning.
2. Encourage children to have fun and be creative.
3. Mobilise children to take responsible action.
4. Promote schools and libraries as community resources.
5. Teach life skills relating to HIV and AIDS.





# Rise Young Women's Clubs

Rise clubs, another of our flagship programmes, reach young women aged 15-19 years old from marginalised communities in the nine provinces.

The clubs are school-based and while Covid-19 affected the face-to-face meetings of the clubs, the clubs used social media to continue engaging with members and when Covid-19 regulations allowed, club meetings resumed.

We supported the Department of Health with demand creation for SRHR services, which included a target of 5 250 young people for HIV testing.

Province	HIV tested	HIV positive	SRH services	Condom distribution: Male	Condom distribution: Female
Eastern Cape	238	1	238	4 200	0
Free State	26	0	93	1 116	0
Gauteng	102	0	102	0	0
KwaZulu-Natal	22	0	20	200	0
Limpopo	0	0	168	0	0
Mpumalanga	0	0	0	60 000	1400
North West	4 423	49	946	1 405	71
Western Cape	100	1	62	42	41
Northern Cape	70	0	174	500	236
<b>TOTAL</b>	<b>4 911</b>	<b>51</b>	<b>1 629</b>	<b>66 963</b>	<b>15 12</b>

We note the disproportionate distribution of female condoms, and we advocate with government and the clinics to ensure more female condoms are made available.



GENDER-BASED VIOLENCE



## GBV

Niso, a quiet place next to the Mithatha dam in the Eastern Cape. Zikhona was sleeping in the backroom with her girlfriend. Her cousin, Andile, knocked on the door. It was very late and when Zikhona opened the door, she could see that Andile was drunk and high on drugs.



### Rape First

Andile accused Zikhona of hiding his girlfriend. Then he started hitting her. He lifted her onto his shoulder and took her to his nearby school grounds. There he raped her. When he was done she was bleeding and hurting. Zikhona fainted, so he lifted her onto his shoulder again and took her to his room. There he raped her repeatedly, putting his jersey over her face to stop her from screaming. He also cut her body with a knife. Four hours later he carried her half-way back to where she was staying. Zikhona managed to drag herself back to her room on her knees. Andile told her that if she told anyone what he had done to her, he would kill her.

### Fighting Back

The next day Zikhona went to her home where she lives with her two brothers. Her parents passed away ten years ago and her oldest brother, Uthando, is the sole breadwinner. She immediately sent WhatsApp messages to everyone telling them that Andile had raped her. Three days later she went to the police station. They took her to a clinic where she was given ARVs to prevent her from being infected with HIV and pills to stop a pregnancy.

### Trial

Not long afterwards, Andile was arrested, the case went to trial, and he was given a life sentence. Even though the outcome made Zikhona feel better, the trial was very traumatic for her. "I was crying all the time, I couldn't speak at all." But she feels that talking about her rape is very important. "Rape changes you. I am not the Zikhona that I was before. Something in my heart and my body was broken. Rape changes the way you feel and the way you look at life. I am getting better because I am talking about this. I want to be empty of this. If I don't talk it will hurt me more. I am now a Soul City fieldworker. I have jobs to do, I am organising things. This helps me not just to think about the rape."

### REMEMBER

- Rape has a life-long effect on the person.
- Rape is not about men needing sex. It is spreading fear and controlling women.
- Dressing in a certain way or being drunk or permission to rape you. As one gender we help him get home.
- No one had the right to rape. It doesn't relationship you have with them. Even if crime.
- You need help if you have been raped. people you trust and get help rebuild.

## Rise magazines

Rise magazines support SCI's social mobilisation efforts by offering high-value publications with information and activities to support, develop and empower women and girls.

The magazines are written and designed to engage young women in SRHR education and feminist movement building.

The magazines are available on the Soul City Institute website as a free, downloadable resource. Production and distribution of the magazines was not affected by Covid-19 lockdown. In 2020, three issues of the magazine were produced: issues 26, 27 and 28.

During the reporting period 4 500 magazines of each issue were distributed to all 450 Rise Young Women's Clubs around the country. In total, 13 500 copies of the magazines were distributed.



**Issue #26** features profiles of Soul City's CEO, Phinah Kodisang and scholar and activist, Simamkele Dlakavu and articles on fighting GBV, staying safe during Covid-19, sexuality education, and feminist technology.

**Issue #28** includes features on starting a business during the festive season, pregnancy, the epidemic of violence during a Covid-19 pandemic, and SafetiPin.



## Social media and multimedia platforms

SCI's social media strategy aims to create awareness around the organisation's strategic focus areas, and comprises messaging around bodily integrity, patriarchy and GBV, and promotes the pillars of the NDOH's She Conquers campaign.

Our social media team continued to use the Rise Talk Show Facebook page to communicate information and updates on Covid-19. Although the Rise Talk Show is no longer on air, this social media page has the most number of followers. Through January - December 2020, SCI generated 475 social media posts with a combined total social media reach of 6 million.

We partnered with community radio stations to continue social mobilisation for the prevention of HIV, GBV and advocated for access to SRHR services in the different communities where we work. We also partnered with clinics and schools through the Rise Clubs and the Soul Buddyz Clubs.

We worked with the following community radio stations: Motheo FM (FS); Jozi FM (GP); Khwezi FM (KZN); Zibonele FM (WC); Malamulele FM (LP); Rise FM (MP); Kurara FM (NC); You FM (NW); Inkonjane FM (EC); Kasi FM (GP).

We also broadcasted on national radio stations where we ran PSAs on condom usage and HIV prevention with the following radio stations: 5FM; Metro FM; Good Hope FM; Lotus FM; Radio sonder Grense; SA FM; Ukhozi FM; Umhlobo Wenene FM; Lesedi FM; Thobela FM; Ikwewezi FM; Lingwalagwala FM; Motsweling FM; Munghana Lonene FM.

**SCI reached in excess of 34 million people through its different media platforms.**



### Multimedia campaign on SRHR

Infographics, quotations and animated posters shared on our Facebook, Instagram and Twitter platforms included social media aligned to the intersectional feminist strategy of the organisation in addressing GBV.

# Funding partners

Our funders share in the vision of the organisation, for a just society in which young women and girls and the communities they live in, have the health and well-being to grow, flourish, and reach their full potential.

SCI acknowledges with gratitude the following funders for the financial support they provided to the organisation during the reporting period:

- National Department of Health (NDOH) – The funding we receive from the National Department of Health supports our social mobilisation efforts and this partnership is renewed on an annual basis.
- African Women Development Fund (AWDF) – The grant ended in November 2020, and it was through this grant that we were able to implement the TV talk show – “It’s a Feminist Thing”.
- Womanity Foundation – Through the Womanity Grant we implement the Safetipin Project, using the Safetipin app to make communities and cities safer, especially for women.
- Ford Foundation – Non-profit organisations like the Soul City Institute require funding that is unrestricted and directed to sustaining the organisation. The Ford Foundation is one of the funders who are providing us with such funding. Their funding supports the core work and operations of the organisation and has supported our explorations of a Feminist Learning and Action Centre.
- Twilio via The Tides Foundation – The Twilio grant supports innovation. We are using the funding for further development of the rAIInbow Facebook app – a partnership between AI for Good (the inventors) and SCI, using artificial intelligence to address GBV.

New grants secured:

- UNFPA awarded the SCI with a six-months grant of \$140 000 to complement the activities of the NDOH grant. The funds contributed towards development of radio PSAs, IEC material and community sensitisation workshops on GBV.
- We received R655 000 in Covid-19 support from the Tekano Fellowship and also received small grants from the National Lottery Foundation and Womanity Foundation towards covering Covid-19 costs.

Soul City Institute received the following grant amounts in this financial year:

Donor	Amount (R million)
NDOH	11.78
AWDF	7.95
Ford Foundation	6.24
UNFPA	2.22
Sanofi	1.22
Womanity Foundation	0.97
London School of Hygiene	0.88
Tekano Fellowship	0.66
National Lottery Foundation	0.02
<b>Total</b>	<b>31.94</b>

# Annual financial statements

## Directors' Responsibilities and Approval

The directors are required in terms of 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 year and the results of its operations and cash flows for the period then ended and are in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, 71 of 2008. 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 the requirements of the Companies Act, 71 of 2008 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and they place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 to 7.

The annual financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the board on 24 June 2021 and were signed on their behalf by:

### Approval of financial statements



TP Mofokeng



MP Kodisang

# Independent Auditor's Report to the shareholders of Soul City Institute NPC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Soul City Institute NPC set out on page 18 to 36, which comprise the statement of financial position as at 28 February 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Soul City Institute NPC as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small to Medium Sized Enterprises (IFRS for SMEs) and the requirements of the Companies Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 opinion.

### ***Emphasis of Matter – Impact of COVID-19 pandemic on the Financial Statements***

Without qualifying our opinion, we draw your attention to the Directors' view on the impact of COVID-19 as disclosed in the Directors' report and also note 22 to the

Annual Financial Statements. The company has assessed the impact of COVID-19 on the Annual Financial Statements and considered the potential impact on the business.

The note referred to elaborates on the directors' determination as to why COVID-19 is not considered an adjusting subsequent event and also explains their assessment of why they consider the company to continue as a going concern.

### Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

### Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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

## Independent Auditor's Report continued

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

The logo for Mazars, featuring the word "Mazars" in a stylized, cursive script font.

Mazars  
Partner: Danielle Keeve  
Registered Auditor

24 June 2021

Mazars House  
54 Glenhove Road  
Melrose Estate  
2196



## Statement of Financial Position as at 28 February 2021

	2021 R '000	2020 R '000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Plant and equipment	1 656	1 732
Investment in subsidiary	-	-
Loan to group companies	2 188	2 188
	<u>3 844</u>	<u>3 920</u>
<b>Current Assets</b>		
Trade and other receivables	1 749	763
Donor funds receivable	-	179
Cash and cash equivalents	25 688	42 921
	<u>27 437</u>	<u>44 763</u>
<b>Total Assets</b>	<u>31 281</u>	<u>48 683</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Distributable reserve - Feminist Fund	100	-
Retained income	22 416	19 411
	<u>22 516</u>	<u>19 411</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	2 863	3 067
Deferred income	5 902	26 205
	<u>8 765</u>	<u>29 272</u>
<b>Total Liabilities</b>	<u>8 765</u>	<u>29 272</u>
<b>Total Equity and Liabilities</b>	<u>31 281</u>	<u>48 683</u>

## Statement of Comprehensive Income as at 28 February 2021

	2021 R '000	2020 R '000
Revenue	46 770	44 729
Programme expenses	(40 425)	(41 284)
Operating expenses	(17 594)	(20 853)
Other operating gains/(losses)	250	(34)
<b>Operating loss</b>	<b>(10 999)</b>	<b>(17 442)</b>
Investment income	14 104	19 763
Finance costs	-	(1)
<b>Surplus for the year</b>	<b>3 105</b>	<b>2 320</b>

## Statement of Changes in Equity as at 28 February 2021

	Distributable reserve - Feminist Fund R	Retained income R '000	Total equity R '000
<b>Balance at 01 March 2019</b>	-	17 091	17 091
Surplus for the year	-	2 320	2 320
<b>Total surplus for the year</b>	-	2 320	2 320
<b>Balance at 01 March 2020</b>	-	19 411	19 411
Surplus for the year	-	3 105	3 105
<b>Total surplus for the year</b>	-	3 105	3 105
Transfer from retained earnings	100	(100)	-
<b>Balance at 28 February 2021</b>	100	22 416	22 516

## Statement of Cash Flows as at 28 February 2021

	2021 R '000	2020 R '000
<b>Cash flows from operating activities</b>		
Cash receipts from donors	17 603	63 872
Cash paid to suppliers and employees	(48 732)	(61 551)
Cash (utilised in)/generated from operations	<u>(31 129)</u>	<u>2 321</u>
Interest income	1 104	1 763
Dividend income	<u>13 000</u>	<u>18 000</u>
Finance costs	-	(1)
<b>Net cash (applied to)/generated by operating activities</b>	<b><u>(17 025)</u></b>	<b><u>22 083</u></b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(266)	(126)
Proceeds from sale of plant and equipment	<u>58</u>	<u>36</u>
<b>Net cash outflow from investing activities</b>	<b><u>(208)</u></b>	<b><u>(90)</u></b>
<b>Total cash movement for the year</b>	<b>(17 233)</b>	<b>21 993</b>
Cash and cash equivalents at the beginning of the year	<u>42 921</u>	<u>20 928</u>
<b>Total cash and cash equivalents at the end of the year</b>	<b><u>25 688</u></b>	<b><u>42 921</u></b>

# Accounting policies

## 1. Presentation of annual financial statements

The company has prepared these stand-alone financial statements for distribution to its donors and related users.

The company has also prepared consolidated annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME) for the company and the wholly owned subsidiaries, Soul City Broad-Based Empowerment Company Proprietary Limited, Main Street 801 RF Proprietary Limited and Main Street 885 RF Proprietary Limited (the "Group"). The consolidated annual financial statements can be obtained from its office on the Third Floor 1 Newtown Avenue, Killarney, 2193.

Users of these stand-alone annual financial statements should read them together with the Soul City Group consolidated annual financial statements for the year ended 28 February 2021 in order to obtain full information on the financial position, results of operations and changes in financial position of the Soul City Group as a whole.

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008. The financial statements have been prepared in accordance with the Historical Cost Accounting Convention, and incorporate the principal accounting policies set out below. The financial statements are presented in South African Rand and rounded to thousands.

The preparation of the annual financial statements in conformity with IFRS for SME requires the use of certain critical accounting estimates. It also requires management to exercise their judgemental in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated annual financial statements are disclosed in section 1.1 below.

The accounting policies applied in the preparation of these financial statements are set out below and are consistent with the previous period.

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS for SME requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Judgements in applying accounting policies

##### Residual value and useful life

The company depreciates its assets over their estimated useful lives taking into account residual values, which are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors.

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

##### Nature of change in estimate of tangible assets-assessment of residual values and useful lives

###### Furniture and fixtures

These assets have been in use for 10 years and are still considered to be in good condition and can last another 10 years. The useful life has been revised to 20 years with NIL residual values assigned.

## Accounting policies continued

### IT equipment

These assets have been in use for 5 years previously, due to technological obsolescence and ongoing use, the useful lives have been revised to 4 years and minimal amounts have been allocated as residual values for items such as cellphones, tablets and laptops, expected to be realised at the end of their useful lives.

### Computer software

Computer software is subject to technological obsolescence and is renewed on an annual basis, the maximum period considered to be the useful life is 2 years with no estimates being made for residual values as there is no market for second-hand software.

### Motor vehicles

Soul City have one motor vehicle that is 11 years-old and will be replaced in the 2022 financial year. Residual value is the estimated trade in value of the vehicle at the end of the 11-year period. The replacement vehicle will be depreciated over 11 years and estimated residual value will be determined at the date of purchase.

### Office equipment

These assets have been in use for 5 years, and the useful life has not been changed, no residual values have been assigned to the office equipment.

### Leasehold improvements

Leasehold improvements are depreciated over the term of the lease with no residual value or change in useful life for the current period.

The basis of these estimates takes into account the following assumptions:

1. The consideration of the average useful lives of the assets (including technological obsolescence).
2. Estimated selling values at the end of the asset's useful life.

3. Whether or not there is a second-hand market for the sale of the assets at the end of their useful lives.

4. Planned future capital expenditure and effects on budgets.

### Trade receivables, donor funds receivable and loans and receivables

The company assesses its trade receivables, donor funds receivable and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

### 1.2 Plant and equipment

Plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for, additions to or replacements of parts of 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 year in which they are incurred.

Plant and equipment is subsequently stated at cost less accumulated depreciation and 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

## Accounting policies continued

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	20 years
Motor vehicles	Straight line	11 years
Office equipment	Straight line	5 years
IT equipment	Straight line	4 years
Computer software	Straight line	2 years
Leasehold improvements	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Changes in estimated useful lives of tangible assets are based on information available to management at the time, with due consideration of anticipated replacement periods and approved capital expenditure for the following financial year.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of 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 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 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 Investment in subsidiaries

Investment in the subsidiary companies are carried at cost less any accumulated impairment losses.

### 1.4 Financial instruments

#### Initial recognition and measurement

Basic financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies basic financial instruments, or their component parts, on initial recognition as a basic financial asset, a basic financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Basic financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

## Accounting policies continued

### Subsequent measurement

Basic financial assets are subsequently measured at amortised cost.

Basic financial liabilities are subsequently measured at amortised cost

### Loan to group company

The loan to the group company is classified as a basic financial asset at amortised cost.

### Trade and other receivables and donor funds receivable

Trade and other receivables and donor funds receivable are classified as basic financial assets at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents are classified as basic financial assets at amortised cost.

### Trade and other payables and deferred income

Trade and other payables and deferred income are classified as basic financial liabilities at amortised cost.

## 1.5 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, (the Act) and the receipts and accruals are exempt from income tax in terms of Section 10(1)(cN) of the Act.

Donations to the company are exempt from donations tax and estate duty and South African donors qualify for a tax deduction in terms of Section 18A of the Income Tax Act.

## 1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating

lease if it does not transfer substantially all the risks and rewards incidental to ownership.

### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

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

## 1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

## 1.8 Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid contributions), are recognised in the period in which the service is rendered and are not discounted.



## Accounting policies continued

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### 1.9 Revenue recognition

Revenue comprises grants and donations received, income from administration and management fees charged to donors. Revenue from administration and management fees charged excludes value added taxation.

#### 1.9.1 Grant income - revenue from contracts with donors

Grant income comprise amounts receivable from donors under grant letters of award or grant agreements as well as general donations received.

Amounts received from donors as compensation for expenditure on specified activities, goods or services are classified as deferred income when the amounts are received prior to the related expenditure being incurred. Deferred income is recognized over the periods of the related grants and are matched to the expenditure that they are intended to compensate, provided there is reasonable assurance that the company will comply with the conditions attached to the grants.

Amounts that become payable by donors as compensation for expenditure or losses already incurred are recognized upon receipt thereof provided there is reasonable assurance that the company will comply with the conditions attached to the grant. Amounts received from donors for the purpose of providing immediate financial support with no future related costs, are also recognised upon receipt thereof.

Soul City does not accept cash donations, all amounts are received in the main bank account of Soul City via electronic funds transfer or direct deposit.

#### 1.9.2 Other income

Interest is recognised in surplus or deficit, using the effective interest rate method.

Where donor contracts are specific about the treatment of interest received, these amounts are ring fenced and are utilised in carrying out projects activities. Where donor contracts are not specific about the treatment of interest received, these amounts are credited to Soul City and form part of the investment income earned.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

#### 1.10 Operating expenses and programme expenses

Programme expenses consist of programme implementation costs and salaries directly related to programme activities.

All other expenditure and non programmatic salaries are classified as operating expenses.

#### 1.11 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred. These are not capitalised as there are no qualifying assets held by the company.

#### 1.12 Related Parties

A related party is related to an entity if any of the following situations apply to it:

##### Individual control:

The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the company.

## Accounting policies continued

### Key management:

The party is a member of the company's or its parent's key management personnel.

All transactions entered into with related parties are under terms no more favourable than those with independent third parties.

Refer to note 18 for further details on related parties.

### 1.13 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and

accumulated in equity. When a gain or loss on a nonmonetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.



**Soul City Institute NPC**

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