

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

Financial Statements for the year ended 31 March 2023

### General Information

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<b>Country of registration and domicile</b>	South Africa
<b>Nature of principal activities</b>	Socially responsible nonprofit solving the problem of homelessness by equipping homeless, marginalised and unemployed people in Cape Town and the greater Cape Town region to earn a living
<b>Board of directors</b>	Derek Trevor Carelse Marlinee Chetty Gadija Gamieldien Desiree Joy Johnson
<b>Business address</b>	Unit A057 Selwyn Street Studios The Palms 145 Sir Lowry Road Woodstock 8001
<b>Postal address</b>	P.O. Box 5094 Cape Town 8001
<b>Bankers</b>	Standard Bank
<b>Auditors</b>	H. Daniels & Co.
<b>NPC registration number</b>	1997/005308/08
<b>NPO registration number</b>	009-480 NPO
<b>PBO registration number</b>	18/11/13/1533
<b>Tax reference number</b>	9625/014/03/1

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

Financial Statements for the year ended 31 March 2023

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#### *Level of Assurance*

These financial statements have been audited in compliance with the applicable requirements of the policies and practices of The Big Issue Cape Town non-profit company (NPC).

**The Big Issue Cape Town (NPC)**

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Financial Statements for the year ended 31 March 2023

**Directors' Responsibilities and Approval**

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The directors are responsible for the preparation and fair presentation of the financial statements of The Big Issue Cape Town, comprising the statement of financial position as at 31 March 2023, and the statement of income and expenditure, the statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes. The directors approved that the company's financial statements be prepared in accordance with the company's own reporting framework on the basis of the accounting policies detailed in the accounting policies section of these financial statements, in order to report to donors and other stakeholders.

The responsibility of the directors include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The responsibility of the directors also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the company's ability to continue as a going concern and has no reason to believe the company will not be a going concern in the year ahead.

The auditors are responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

The financial statements of The Big Issue Cape Town, as identified in the first paragraph, were approved by the directors on ..... (day) ..... (month) 2025 and are signed by:

.....  
**Derek Trevor Carelse**

.....  
**Gadija Gamielien**

.....  
**Desiree Joy Johnson**

.....  
**Marlinee Chetty**

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Director's Report

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The board of directors have the pleasure of presenting their report on the financial statements of The Big Issue Cape Town for the year ended 31 March 2023

#### 1. Review of financial results and activities

There has been no change to the nature of the activities of the company.

The financial statements have been prepared in accordance with the entity specific basis of accounting and the requirements of the Companies Act, 71, of 2008. Material accounting policies have been applied consistently unless otherwise noted.

The company recorded a deficit for the year ended 31 March 2023 of R1,069,993 (2022: surplus R487,659). Total gross income decreased from R4,402,585 in the prior year to R3,688,724 for the year ended 31 March 2023.

#### 2. Directors

The directors in office included in these financial statements as well as the comparative directorships, up to the date of this report, are as follows:

Derek Trevor Carelse  
Gadija Gamiieldien  
Desiree Joy Johnson  
Marlinee Chetty

#### 3. 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.

#### 4. Going concern

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe it will not be a going concern in the year ahead.

#### 5. Auditors

The company approved H. Daniels and Co. as the company's auditors for the period under review.



.....  
**Board member**

*Name:* .....

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

Financial Statements for the year ended 31 March 2023

### Statement of Financial Position

	Note(s)	2023 R	2022 R
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	2	11 038	76
Investments in unlisted entities	3	20	20
		<u>11 058</u>	<u>96</u>
<i>Current assets</i>			
Trade and other receivables	4	513 276	227 556
Cash and cash equivalents	5	377 270	1 065 495
Total current assets		<u>890 546</u>	<u>1 293 051</u>
<b>Total assets</b>		<b><u>901 604</u></b>	<b><u>1 293 147</u></b>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Accumulated (deficit) funds		<u>(212 687)</u>	<u>857 306</u>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	6	1 114 291	435 841
Total liabilities		<u>1 114 291</u>	<u>435 841</u>
<b>Total reserves and liabilities</b>		<b><u>901 604</u></b>	<b><u>1 293 147</u></b>

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

Financial Statements for the year ended 31 March 2023

### Statement of Income and Expenditure

	Note(s)	2023 R	2022 R
Magazine sales	7	979 536	865 828
Cost of sales	8	(2 333 235)	(2 086 147)
<b>Gross loss</b>		<b>(1 353 699)</b>	<b>(1 220 319)</b>
Donation income	10	2 709 188	3 536 757
Commission on contractual and other donor funding	11	(111 048)	(76 766)
<b>Total income</b>		<b>1 244 441</b>	<b>2 239 672</b>
Operating expenditure		(2 314 147)	(1 751 932)
<b>Operating (deficit) surplus before interest</b>		<b>(1 069 706)</b>	<b>487 740</b>
Net interest expense	13	(287)	(81)
<b>(Deficit) surplus for the year</b>		<b>(1 069 993)</b>	<b>487 659</b>

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Statement of Changes in Reserves

	Accumulated funds R	Total reserves R
<b>Balance at 01 April 2021</b>	369 647	369 647
Surplus for the year	487 659	487 659
<b>Balance at 31 March 2022</b>	<u>857 306</u>	<u>857 306</u>
<b>Balance at 01 April 2022</b>	857 306	857 306
Deficit for the year	(1 069 993)	(1 069 993)
<b>Balance at 31 March 2023</b>	<u>(212 687)</u>	<u>(212 687)</u>

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Statement of Cash Flows

	Note(s)	2023 R	2022 R
<b>Cash flows from operating activities</b>			
Funding received from donors and others		979 536	865 828
Cash payments to suppliers and contractors		(1 653 460)	(344 821)
<b>Cash (utilised in) generated from operations</b>	<b>12</b>	<b>(673 924)</b>	<b>521 088</b>
Interest expense		(287)	(81)
<b>Net cash from operating activities</b>		<b>(674 211)</b>	<b>521 007</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(14 014)	(16 208)
<b>Total cash movement for the year</b>		<b>(688 225)</b>	<b>504 799</b>
Cash at the beginning of the year		1 065 495	560 696
<b>Total cash at the end of the year</b>		<b>377 270</b>	<b>1 065 495</b>

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1. Presentation of financial statements

The material accounting policies adopted in preparation of these financial statements are set out below. These accounting policies have been applied consistently to all periods presented in the financial statements, unless otherwise noted.

##### 1.1 Basis of preparation

The current and comparative financial statements of The Big Issue Cape Town have been prepared in accordance with the company's specific basis of accounting.

This basis of accounting recognises transactions on a cash basis, with income and expenses being recognised on receipt and payment respectively, with certain limited modifications for non-cash transactions detailed in the accounting policies below.

The financial statements have been prepared under the historical cost convention are presented in South African Rands, which is the company's functional currency.

##### 1.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the modified cash basis of accounting requires the board to make judgements, estimates and assumptions that affect the application of the cash basis of accounting and to report amounts of recognised assets and liabilities, as well as, where applicable, the associated income and expenditure. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from the cash basis of accounting. Actual results may differ from these estimates.

Key sources of estimation uncertainty include sales volumes and publishing volumes. These are based on historical trends and demand forecasts and has a direct impacts on gross profit or loss.

##### 1.3 Modifications to the cash basis of accounting

In limited circumstances, certain non-cash transactions are recognised. This includes the recognition of depreciation, impairments, and the recognition of known receivables and payables and the associated income and expense respectively, as applicable. Further explanations on the details of non-cash transactions have been included in the accounting policies below.

##### 1.4 Property, plant and equipment Recognition and measurement

Property, plant and equipment is recognised for tangible assets that are held for use in the undertaking of services, that are expected to be used to derive economic benefit for more than one period. Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment include all costs incurred in order to bring the asset into a location and condition necessary to enable it to operate as intended by management and includes the cost of materials, direct labour, and the initial estimate, where applicable, of the costs of dismantling and removing the item and restoring the site on which it is located.

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1.4 Property, plant and equipment (continued)

##### Recognition and measurement (continued)

Depreciation is the systematic allocation of the depletion of economic benefit over the estimated useful life of the cost of the property, plant and equipment, through use. Depreciation is recognised on a straight line basis in expenditure.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and are depreciated separately.

The estimated useful lives used in the calculation of depreciation are indicated below:

Computer equipment	3 years
Motor vehicles	5 years
Furniture and Fittings	5 years

##### Impairment of property, plant and equipment

An impairment loss (or reversal) is the reduction of the economic value of property, plant and equipment i.e. through damage or theft, other than depreciation. The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

For property, plant and equipment, if there is any such indication, the recoverable amount of any affected asset (or group of related assets) related to property, plant and equipment is estimated and compared with its carrying amount. The recoverable amount is the higher of the fair value less costs to sell, compared with the current value in use of that asset (or group of related assets). 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 expenditure.

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 the statement of income and expenditure. In the case of inventory, the net realisable value is increased to the revised estimate, but not in excess of the cost that would have been determined had no impairment loss been recognised.

##### Derecognition of property, plant and equipment

The carrying amount of an item or part of property, plant and equipment shall be derecognised at the earlier of the date of disposal or the date when no future economic benefits are expected from its use. Gains or losses on derecognition of items of property, plant and equipment are included in the statement of income and expenditure. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

#### 1.5 Financial assets and liabilities

##### Recognition and measurement

A financial asset or liability is any contract that gives rise to a financial asset or liability of the company and results a financial asset, liability or equity instrument of another company. For an asset or liability to be recognised, the company should have received or provided goods or services which it has not yet received or made payment.

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1.5 Financial assets and liabilities (continued)

##### Recognition and measurement (continued)

In the case of a financial asset or liability, it is expected that the asset or liability will be received or settled, in cash, rather than in kind, for goods or services that are provided or received, but not yet settled. A financial asset or liability is recognised when the company becomes party to the contractual provisions in the definition of a financial asset or liabilities above. Initial measurement is at the transaction date value which is its fair value.

##### Subsequent measurement of financial assets and liabilities

Subsequent measurement is at cost less impairment.

At each reporting date, the amounts included in financial assets and liabilities 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 expenditure.

##### Derecognition of financial assets and liabilities

Financial liabilities are derecognised only when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

##### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### (ii) Trade payables

Trade payables and other creditors are recognised and measured at cost.

##### (iii) Investment in unlisted entity

The investment in the unlisted entity is not publicly traded and has no fair value that can be measured reliably. The investment has been recognised at the transaction date price, and measured at cost less impairment.

#### 1.6 Deposits

Deposits and other receivables are recognised and measured at cost.

#### 1.7 Income tax

The company has been classified as a Public Benefit Organisation in terms of S30 of the Income Tax Act. The receipts and accruals are exempt from income tax in terms of S10(1)(cN).

## The Big Issue Cape Town (NPC)

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### Accounting Policies

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#### 1.8 Income

Income comprises sales, contractual grant income, and other income in the form of donations.

##### (i) Magazine sales

Sales comprises the consideration received from the purchases of magazines by vendors for resale, in the ordinary course of the company's public benefit activities.

Sales income is shown net of value added tax, returns, rebates and discounts.

The company recognises sales income when the amount is received.

Where it is possible, the company recognises income when the amount of income can be reliably measured and it is probable that the future economic benefits will flow to the company. The amount of income is not considered to be reliably measured until all contingencies relating to the probably receipt have been resolved. Revisions may result in the increases or decreases in estimated sales and are reflected in sales income in the period in which the circumstances that give rise to the revision become known.

##### (ii) Contractual and grant income

The company recognises contractual and grant income when the amount is received.

Where possible, this income is recognised when all significant risks and rewards of ownership from the donor has been transferred to the company in accordance with the substance of the relevant agreements. Otherwise, contracts with funders from all sources is predominantly recognised on a cash basis, unless that receipt is subject to conditions whereby it is recorded but deferred as income received in advance, and subsequently recognised as income on a systematic basis over periods necessary to match the income with the related costs which they are intended to compensate.

Contractual income relating to costs already incurred are recognised as receivables and recognised in income in the period necessary to match them with the costs that they are intended to compensate. Accrued contractual funding is recognised only when there is reasonable assurance that (a) the company has been approved for such funding attached to the request for such funding and (b) the funding is received.

##### (iii) Other income

Donations and other income is recognised on a cash basis and is measured at the amount receipted and/or banked.

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### 2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
Computer equipment	197 774	(194 843)	2 931	193 474	(193 410)	64
Motor vehicles	219 339	(219 335)	4	219 339	(219 335)	4
Furniture and fittings	34 892	(26 789)	8 103	25 178	(25 170)	8
<b>Total</b>	<b>452 005</b>	<b>(440 967)</b>	<b>11 038</b>	<b>437 991</b>	<b>(437 915)</b>	<b>76</b>

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

	Opening balance	Addition(s)	Disposal		Depreciation	Total
			Cost	Accumulated Depreciation		
Computer equipment	64	4 300	-	-	(1 433)	2 931
Motor vehicles	4	-	-	-	-	4
Furniture and fittings	8	9 714	-	-	(1 619)	8 103
	<b>76</b>	<b>14 014</b>	<b>-</b>	<b>-</b>	<b>(3 052)</b>	<b>11 038</b>

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

	Opening balance	Addition(s)	Disposal		Depreciation	Total
			Cost	Accumulated Depreciation		
Computer equipment	1 320	8 850	-	-	(10 106)	64
Motor vehicles	4	-	-	-	-	4
Furniture and fittings	8	7 358	-	-	(7 358)	8
	<b>1 332</b>	<b>16 208</b>	<b>-</b>	<b>-</b>	<b>(17 464)</b>	<b>76</b>

## The Big Issue Cape Town (NPC)

(Registration Number: 1997/005308/08)

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### Notes to the Financial Statements

	2023 R	2022 R
<b>3. Investment in unlisted entity</b>		
Sakhikamva Investments (Pty) Ltd	20	20
<b>4. Trade and other receivables</b>		
Staff loans	4 000	2 440
Deposits (rental)	10 580	10 580
VAT	498 696	214 536
	<b>513 276</b>	<b>227 556</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of cash on hand and actual bank balances. Cash and cash equivalents comprise of the following:		
Petty cash	2 123	(898)
Bank balances	375 147	1 066 393
	<b>377 270</b>	<b>1 065 495</b>
Current assets	377 270	1 066 393
Current liabilities	-	(898)
	<b>377 270</b>	<b>1 065 495</b>
<b>6. Trade and other payables</b>		
Accounts payable	1 019 731	325 034
Donations payable to vendors	25 339	5 165
Amounts received in advance	-	39 362
Leave pay provision	69 221	63 510
SARS payroll related liabilities	-	2 770
	<b>1 114 291</b>	<b>435 841</b>
<b>7. Revenue</b>		
Sales of magazines	<b>979 536</b>	<b>865 828</b>
<b>8. Cost of sales</b>		
Animation studio costs	3 000	59 125
Bagging	739	11 373
Commission (vendors)	49 988	-
Delivery, distribution and storage	-	134 390
Printing and paper	858 515	222 932
Publishing costs (Little Issue)	1 193 086	1 415 705
Editorial costs	-	120 000
Vendor costs	227 907	122 622
	<b>2 333 235</b>	<b>2 086 147</b>

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### Notes to the Financial Statements

	2023	2022
	R	R
<b>9. Vendor costs</b>		
Vendor external training	83 763	1 734
Vendor workshops	57 935	52 948
Vendor financial support	60 002	20 475
Vendor activities	26 207	47 466
	<u>227 907</u>	<u>122 622</u>
<b>10. Other income</b>		
Contractual donor funding	2 385 467	3 192 244
Bright Futures Trust (Little Issue)	700 500	934 000
Ipsen Foundation (Little Issue)	1 634 967	2 208 244
St Ola's Trust	50 000	50 000
Donations from corporates	235 350	213 988
Donations from individuals	88 371	130 525
	<u>2 709 188</u>	<u>3 536 757</u>
<b>11. Commission on contractual and other donor funding</b>		
Commission expense	<u>(111 048)</u>	<u>(76 766)</u>
<b>12. Cash generated from operations</b>		
(Deficit) surplus for the year	(1 069 993)	487 659
<b>Adjustments for:</b>		
Depreciation	3 052	17 464
Net interest paid	287	81
	<u>(1 066 654)</u>	<u>505 204</u>
<b>Changes in working capital</b>		
Increase in trade and other receivables	(285 720)	(121 658)
Increase in trade and other payables	678 450	137 542
<b>Cash (utilised in) generated from operations</b>	<u>(673 924)</u>	<u>521 088</u>
<b>13. Interest</b>		
Interest expense	(312)	(88)
Interest income	25	7
	<u>(287)</u>	<u>(81)</u>
<b>14. Income tax</b>		
The company is tax exempt in terms of section 10(1)(cN) of the Income Tax Act, 58 of 1962 and is a registered Public Benefit Organisation.		
<b>15. Related parties</b>		
Related party balances and transactions with key management personnel of the company include:		
<b>Key management:</b>		
Consulting, commission and other allowances	567 319	
<b>Other parties related to key management:</b>		
Printing, editorial and publishing costs	197 480	

## The Big Issue Cape Town (NPC)

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Financial Statements for the year ended 31 March 2023

### Detailed Income Statement

	Note	2023 R	2022 R
<b>Total income</b>		<b>1 244 441</b>	<b>2 239 672</b>
<b>Gross loss</b>		<b>(1 353 699)</b>	<b>(1 220 319)</b>
Sales	7	979 536	865 828
Cost of sales	8	(2 333 235)	(2 086 147)
<b>Total net other income</b>	<b>10</b>	<b>2 598 140</b>	<b>3 459 991</b>
Donation income		2 709 188	3 536 757
Cost of donor and other income (commission)		(111 048)	(76 766)
<b>Expenditure</b>		<b>(2 314 147)</b>	<b>(1 751 932)</b>
Accounting fees		135 850	136 340
Advertising (Little Issue)		60 000	-
Advertising (marketing)		50 265	22 070
Auditors remuneration		38 784	69 331
Bank charges		21 453	21 664
Consulting, editorial and professional fees		823 680	506 248
Consulting, editorial and professional fees - Little Issue		45 950	56 046
Delivery expenses		252 814	207 350
Depreciation	2	3 052	17 464
Donations		13 975	4 600
Employee costs		366 785	325 568
IT expenses		5 510	11 217
Insurance		26 383	28 679
Motor vehicle expenses, petrol & oil		34 942	31 969
Municipal expenses		13 478	10 000
Overheads - Little Issue		58 500	-
Postage		606	2 316
Printer costs		37 258	26 998
Stationery		11 561	13 787
Rent paid		113 746	78 761
Repairs & maintenance		30 061	38 543
Security		12 319	1 340
Software and internet expenses		20 672	10 921
Staff welfare		15 224	15 769
Storage		2 650	12 000
Subscriptions		-	730
Telephone cost		25 584	33 665
Transport		93 045	68 256
Travel - local		-	300
<b>Operating (deficit) surplus before interest income</b>		<b>(1 069 706)</b>	<b>487 740</b>
Net interest expense	13	(287)	(81)
<b>Net (deficit) surplus</b>		<b>(1 069 993)</b>	<b>487 659</b>