



MEDIA RELEASE

THE SOLIDARITY FUND RELEASES SECOND AUDITED ANNUAL FINANCIAL STATEMENTS | 20 SEPTEMBER 2022

Johannesburg, 20 September 2022 – The Solidarity Fund has released its second Annual Financial Statements for the period 1 March 2021 to our year-end of 28 February 2022. This is following a very thorough and robust year-end audit conducted by PricewaterhouseCoopers (PwC), our external auditors.

We are happy to announce that the audit shows the same attention to care and diligence to the funds entrusted to us that last year's audit did. The audited annual financial statements of the Fund are marred only by a common technical qualification for donation dependent organisations such as ours, in respect of donations received that are dependent on collection by third party agents, more commonly referred to as crowd sourcing platforms, which represents less than half a percent - 0.04% (2021: 0.8%) of donations received during the year.

At a high level, the primary statements of the balance sheet, profit and loss, changes in equity and cash flow, reflect funds received as donations of R737 million, operating expenditure of R1.2 billion, administration costs of R6.8 million and a bank balance at year-end of R1.2 billion.

Donations received

Regarding revenue, the Fundraising sub-committee of the Board helped to lead and guide the raising of R737 million in donations in the current year.

- 54% from public sector; and
- 45% of donations received were sourced from corporates and trusts
- 1% from individuals

In addition, 88% was domestically sourced, as opposed to 12% from foreign sources. R279 000 relates to donations received from third party agents.

Operating Expenditure

The operating expenditure is split between the four strategic pillars of the Fund.

The **Health Pillar** accounted for 45% (R556 million) of all expenditure. Of that, PPE accounted for (3%), Covid research (7%), vaccinations related spend (essentially the COVAX deposit (27%), critical care equipment and ventilators (55%), nursing assistance (3%) and Charlotte Maxeke refurbishment (3%).

The **Humanitarian Relief Pillar** accounted for 11%, in total R136 million, of the overall spend with the majority of the funds going to Gender-Based Violence projects (R74 million) and Food and Farming Input Vouchers (R62 million).

The **Behavioural Change pillar** accounted for 23% (R285 million) of the spend which went towards extensive communication campaigns primarily focused on educating people around the vaccine and encouraging vaccination.

Humanitarian Crisis Relief Fund (HCRF) accounted for 20% at R247 million, which was primarily spent on Food parcels (R112 million) and Business support grants (R116 million).

Administration costs

In the current financial year, the Fund incurred administration costs. These costs were not incurred in the prior year due to the National Business Initiative (NBI) providing the secondees as in-kind support to the Fund, through the securing of donations specifically for this purpose from a variety of corporates. This support, however, terminated at the end of September 2021. Subsequently, the Fund has had to reimburse the secondment costs and has also incurred company secretarial costs. As the term of the Fund has extended sponsorships and pro-bono services have been reducing. In the new financial year the Fund will thus carry the costs of most of the administrative costs that were otherwise sponsored or pro-bono.

Going concern

The Memorandum of Incorporation of the Fund states that the Fund does not have a specified period of existence and the Fund's termination will be determined by the directors having regard to whether it is still necessary to maintain the Fund in existence so as to enable the ongoing fulfillment of its objectives.

The Board is of the opinion that, it is prudent to retain the Fund in a state of readiness once all the current projects have been concluded thus the continued existence of the Fund albeit in a much scaled down version post December 2022.

Governance, Risk and Control

From the start, the Fund has committed itself to upholding the highest standards of integrity and responsibility. The Audit and Risk Committee report, the Corporate Governance report and the Directors' report highlight the Fund's management and the Boards focus on transparency, sound financial management and good corporate governance in order to ensure robust systems of internal, financial and accounting control and risk management.

A legacy of impact and unity

The Integrated Annual Report shows how the funds so generously donated were allocated and disbursed. It shows that this was done responsibly and adhering to the highest standards of accountability and transparency. We hope that, behind the numbers, you also see the people and communities that we have impacted.

“As we continue to work towards the eventual scaled down version of the Fund, we reflect with gratitude on the incredible work undertaken by our volunteers, staff and partners. And we remember that, during a time of fear and uncertainty, the Fund provided a vehicle through which people could take back their power by donating to help others and to help our country.” *Tandi Nzimande, CEO Solidarity Fund*

- To access the Annual Financial Statements, Integrated Annual Report and media update scripts, visit <https://solidarityfund.co.za/integrated-annual-report-2022/>.
- For detailed information and reporting about donations received, projects and approvals, as well as the impact the Fund is having, visit www.solidarityfund.co.za

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