

**VUKUKHANYE
(REGISTRATION NUMBER 017-325 NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2021

General Information

Country of incorporation and domicile	South Africa
Nature of operation	Contribute to the holistic transformation of historically disadvantaged communities in South Africa
Management Committee	Brad Leech (Chairman and Treasurer) Michael van der Meulen (Deputy Chairman) Tim Maxwell Phumlani Ntanzu Anthony van der Meulen (Secretary) Sandy Watt
Registered office	3 Royston Road Westville 3629
Postal address	3 Royston Road Westville 3629
Bankers	Standard Bank
Auditor	Baker Tilly Morrison Murray Registered Auditors Chartered Accountants (SA)
NPO registration number	017-325 NPO
Preparer	The annual financial statements were internally compiled by: Clive Stewart Chartered Accountant (S.A.)
Issued	16 February 2022

Vukukhanye

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Annual Financial Statements for the year ended 28 February 2021

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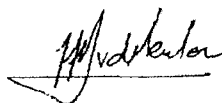
The reports and statements set out below comprise the annual financial statements presented to the management committee:

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The annual financial statements set out on pages 3 to 13, which have been prepared on the going concern basis, were approved by the management committee on 16 February 2022 and were signed on its behalf by:



Brad Leech (Chairman and Treasurer)



Michael van der Meulen (Deputy Chairman)

Independent Auditor's Report

To the Management Committee of Vukukhanye

Opinion

We have audited the financial statements of Vukukhanye (the trust) set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements of Vukukhanye for the year ended 28 February 2021 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Trust Property Control Act 57 of 1988.

Basis for qualified opinion

In common with similar organizations, it is not feasible for the organization to institute accounting controls over cash collections or funds from donations and bequests prior to initial entry of the collections in accounting records. Accordingly, it is impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Partners: S Stanley CA(SA) RA, MJ Brand CA(SA) RA, O Chetty CA(SA) RA, PW Gericke CA(SA) RA, JM Howitz CA(SA) RA, BA Michel CA(SA) RA,
M Sharpley CA(SA) RA, JG Verburg CA(SA) RA, N Weymouth CA(SA) RA

Associate: K Naicker CA(SA)

Consultant: GA Noble CA(SA)

IRBA Practice No.: 902950

Baker Tilly Morrison Murray is a member of the global network of Baker Tilly International Ltd, the members of which are separate and independent legal entities.

Independent Auditor's Report

Other Information

The management committee are responsible for the other information. The other information comprises the information included in the document titled "Vukukhanye annual financial statements for the year ended 28 February 2021", which includes the as required by the Trust Property Control Act 57 of 1988 and the Detailed Income Statement, which we obtained prior to the date of this report. 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 on the other information obtained prior to the date of this auditor's report, 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 management committee for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 and the requirements of the Trust Property Control Act 57 of 1988, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Partners: S Stanley CA(SA) RA, M.J Brand CA(SA) RA, O Chetty CA(SA) RA, P.W Gericke CA(SA) RA, J.M Howitz CA(SA) RA, BA Michel CA(SA) RA, M Sharpley CA(SA) RA, J.G Verburg CA(SA) RA, N Weymouth CA(SA) RA

Associate: K Naicker CA(SA)

Consultant: GA Noble CA(SA)

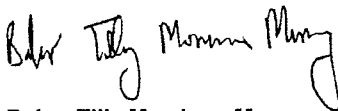
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Independent Auditor's Report

- Conclude on the appropriateness of the trustees 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 trust'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 trust to cease to continue as a going concern.

We communicate with the trustees 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.



Baker Tilly Morrison Murray

**Partner: J G Verburg CA(SA)
Registered Auditors**

Westville

Date: 16 February 2022

Partners: S Stanley CA(SA) RA, MJ Brand CA(SA) RA, O Chetty CA(SA) RA, PW Gericke CA(SA) RA, JM Howitz CA(SA) RA, BA Michel CA(SA) RA,
M Sharpley CA(SA) RA, JG Verburg CA(SA) RA, N Weymouth CA(SA) RA

Associate: K Naicker CA(SA)

Consultant: GA Noble CA(SA)

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Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2021

Statement of Financial Position as at 28 February 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,130,000	1,130,784
Current Assets			
Trade and other receivables	3	3,860	8,271
Cash and cash equivalents	4	69,842	67,631
		73,702	75,902
Total Assets		1,203,702	1,206,686
Funds and Liabilities			
Funds			
Accumulated surplus		1,161,871	1,192,607
Liabilities			
Current Liabilities			
Trade and other payables	5	41,831	14,079
Total Funds and Liabilities		1,203,702	1,206,686

Vukukhanye

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Annual Financial Statements for the year ended 28 February 2021

Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Revenue			
Donations received - s18A		1,092,098	1,098,528
Donations - other		5,114	48,050
		1,097,212	1,146,578
Other income			
Gains on disposal of assets		-	16,300
Operating expenses			
Bank Charges		(14,464)	(16,519)
Clothing		(150)	(50)
Computer expenses		(11,240)	-
Depreciation		(785)	(7,040)
Employee costs		(633,408)	(738,556)
Entertainment		-	(264)
Equipment expensed		(919)	(12,512)
Groceries		(136,528)	(89,280)
Insurance		(10,035)	(9,782)
Lease rentals - premises		(37,900)	(38,300)
Medical expenses		(18,056)	(4,102)
Motor vehicle expenses		(17,675)	(7,305)
Other expenses		(4,986)	(5,074)
Postage		(34)	-
Printing, stationery and postage		(2,263)	(4,025)
Professional fees		(11,742)	(14,286)
Rates & municipal charges		-	(1,184)
Repairs and maintenance		(16,763)	(25,613)
School expenses		(34,480)	(30,787)
Security		(19,911)	(932)
Transport		(18,181)	(29,045)
Telephone and fax		(20,153)	(15,771)
Tertiary education		(71,983)	(60,250)
Utilities		(44,013)	(48,781)
		(1,125,669)	(1,159,458)
Operating (deficit) surplus		(28,457)	3,420
Investment income	6	150	62
Finance costs	7	(2,429)	(135)
		(2,279)	(73)
(Deficit) surplus for the year		(30,736)	3,347
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(30,736)	3,347

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Annual Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2019	1,189,260	1,189,260
Surplus for the year	3,347	3,347
Other comprehensive income	-	-
	3,347	3,347
Balance at 01 March 2020	1,192,607	1,192,607
Deficit for the year	(30,736)	(30,736)
Other comprehensive income	-	-
	(30,736)	(30,736)
Balance at 28 February 2021	1,161,871	1,161,871

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Annual Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Cash generated from (used in) operations	9	4,490	(17,918)
Interest received		150	62
Finance costs		(2,429)	(135)
Net cash from operating activities		2,211	(17,991)
Cash flows from investing activities			
Sale of property, plant and equipment	2	-	27,501
Total cash movement for the year		2,211	9,510
Cash at the beginning of the year		67,631	58,121
Total cash at end of the year	4	69,842	67,631

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Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Equipment	Straight line	5 years
Security equipment	Straight line	6 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

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

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Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 Leases

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

Operating leases – lessee

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

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

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

1.4 Employee benefits

Short-term employee benefits

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

1.5 Revenue

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

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

Donations are recognised, in surplus or deficit, when received by the entity.

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(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land buildings	1,130,000	-	1,130,000	1,130,000	-	1,130,000
Office equipment	5,785	(5,785)	-	5,785	(5,785)	-
IT equipment	8,340	(8,340)	-	8,340	(7,556)	784
Equipment	32,755	(32,755)	-	32,755	(32,755)	-
Security	37,991	(37,991)	-	37,991	(37,991)	-
Total	1,214,871	(84,871)	1,130,000	1,214,871	(84,087)	1,130,784

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Land and buildings	1,130,000	-	1,130,000
IT equipment	784	(784)	-
	1,130,784	(784)	1,130,000

Reconciliation of property, plant and equipment - 2020

	Opening balance	Disposals	Depreciation	Closing balance
Land and Buildings	1,130,000	-	-	1,130,000
Motor vehicles	14,467	(11,201)	(3,266)	-
IT equipment	3,565	-	(2,781)	784
Security	994	-	(994)	-
	1,149,026	(11,201)	(7,041)	1,130,784

Details of properties

7 Bristol Road, Berea

Land and buildings situated at 7 Bristol Road, Berea, described as ERF 668 Berea West (extension number 7), in extent 2,251 square metres.

- Purchase price	1,130,000	1,130,000
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3. Trade and other receivables

Deposits	3,860	8,271
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Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	20,316	37,082
Money market account	49,526	30,549
	69,842	67,631
5. Trade and other payables		
Accrued expenses	41,831	14,079
6. Investment revenue		
Interest received		
Bank	150	62
7. Finance costs		
SARS	2,429	135
8. Taxation		
No provision has been made for 2021 tax as the entity is registered as a Public Benefit Organisation for income tax purposes. Donations to the entity are exempt from donations tax and are tax deductible in the hands of donors in terms of section 18A of the Income Tax Act.		
9. Cash generated from (used in) operations		
(Deficit) surplus before taxation	(30,736)	3,347
Adjustments for:		
Depreciation	785	7,040
Surplus on sale of assets	-	(16,300)
Interest received	(150)	(62)
Finance costs	2,429	135
Changes in working capital:		
Trade and other receivables	4,410	4,140
Trade and other payables	27,752	(16,218)
	4,490	(17,918)