

**VUKUKHANYE  
(REGISTRATION NUMBER 017-325 NPO)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

# Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

## General Information

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

# Vukukhanye

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Annual Financial Statements for the year ended 28 February 2023

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

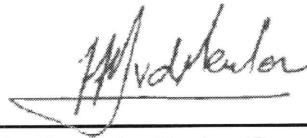
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The annual financial statements set out on pages 3 to 13, which have been prepared on the going concern basis, were approved by the management committee on 13/02/2024 and were signed on its behalf by:



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Brad Leech (Chairman and Treasurer)



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Michael van der Meulen (Deputy Chairman)

## Independent Auditor's Report

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### To the Management Committee of Vukukhanye

#### Opinion

We have audited the financial statements of Vukukhanye (the trust) set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and 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 financial statements present fairly, in all material respects, the financial position of Vukukhanye as at 28 February 2023, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the 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 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 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.

## **Independent Auditor's Report**

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### **Responsibilities of the management committee for the Annual Financial Statements**

The trustees are responsible for the preparation and fair presentation 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, 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 trust'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.
- 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.
- 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.

## **Independent Auditor's Report**

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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: Han Verburg CA(SA)  
Registered Auditor**

**Westville**

**Date: 26 March 2024**

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Statement of Financial Position as at 28 February 2023

| Figures in Rand                    | Note(s) | 2023             | 2022             |
|------------------------------------|---------|------------------|------------------|
| <b>Assets</b>                      |         |                  |                  |
| <b>Non-Current Assets</b>          |         |                  |                  |
| Property, plant and equipment      | 2       | 1,130,000        | 1,130,000        |
| <b>Current Assets</b>              |         |                  |                  |
| Trade and other receivables        | 3       | 6,760            | 7,360            |
| Cash and cash equivalents          | 4       | 92,840           | 32,118           |
|                                    |         | <b>99,600</b>    | <b>39,478</b>    |
| <b>Total Assets</b>                |         | <b>1,229,600</b> | <b>1,169,478</b> |
| <b>Funds and Liabilities</b>       |         |                  |                  |
| <b>Funds</b>                       |         |                  |                  |
| Accumulated surplus                |         | 1,197,590        | 1,131,056        |
| <b>Liabilities</b>                 |         |                  |                  |
| <b>Current Liabilities</b>         |         |                  |                  |
| Trade and other payables           | 5       | 32,010           | 38,422           |
| <b>Total Funds and Liabilities</b> |         | <b>1,229,600</b> | <b>1,169,478</b> |

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Statement of Comprehensive Income

| Figures in Rand   | Note(s) | 2023             | 2022             |
|---|---------|------------------|------------------|
| <b>Revenue</b>  |         |                  |                  |
| Donations received - s18A                                 |         | 890,219          | 831,594          |
| Donations - other   |         | 26,890           | 2,970            |
|   |         | <b>917,109</b>   | <b>834,564</b>   |
| <b>Other income</b>                                       |         |                  |                  |
| Insurance claim   |         | 7,500            | -                |
| Rental income   |         | 4,000            | -                |
|   |         | <b>11,500</b>    | <b>-</b>         |
| <b>Operating expenses</b>                                 |         |                  |                  |
| Bank Charges  |         | (6,653)          | (9,809)          |
| Clothing  |         | (1,890)          | -                |
| Computer expenses   |         | (976)            | (13,691)         |
| Employee costs  |         | (584,618)        | (571,538)        |
| Equipment expensed  |         | (3,429)          | (499)            |
| Groceries   |         | (45,589)         | (57,083)         |
| Insurance   |         | (10,178)         | (10,148)         |
| Lease rentals - premises                                  |         | (30,000)         | (36,500)         |
| Medical expenses  |         | (1,335)          | (1,761)          |
| Motor vehicle expenses                                    |         | (16,099)         | (7,340)          |
| Other expenses  |         | (7,799)          | (5,061)          |
| Printing, stationery and postage                          |         | (1,743)          | (1,065)          |
| Professional fees   |         | (19,346)         | (16,453)         |
| Repairs and maintenance                                   |         | (19,419)         | (30,255)         |
| School expenses   |         | (9,656)          | (17,845)         |
| Security  |         | -                | (115)            |
| Transport   |         | (27,665)         | (25,606)         |
| Telephone and fax   |         | (13,862)         | (10,767)         |
| Tertiary education  |         | (6,510)          | (9,378)          |
| Utilities   |         | (54,665)         | (40,286)         |
| Workshops and training                                    |         | (50)             | (200)            |
|   |         | <b>(861,482)</b> | <b>(865,400)</b> |
| <b>Operating surplus (deficit)</b>                        |         | <b>67,127</b>    | <b>(30,836)</b>  |
| Investment income   | 6       | 597              | 19               |
| Finance costs   | 7       | (1,190)          | -                |
|   |         | <b>(593)</b>     | <b>19</b>        |
| <b>Surplus (deficit) for the year</b>                     |         | <b>66,534</b>    | <b>(30,817)</b>  |
| Other comprehensive income                                |         | -                | -                |
| <b>Total comprehensive surplus (deficit) for the year</b> |         | <b>66,534</b>    | <b>(30,817)</b>  |

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Statement of Changes in Equity

| Figures in Rand                    | Accumulated surplus | Total equity     |
|------------------------------------|---------------------|------------------|
| <b>Balance at 01 March 2021</b>    | <b>1,161,872</b>    | <b>1,161,872</b> |
| Deficit for the year               | (30,816)            | (30,816)         |
| Other comprehensive income         | -                   | -                |
| <b>Balance at 01 March 2022</b>    | <b>1,131,056</b>    | <b>1,131,056</b> |
| Surplus for the year               | 66,534              | 66,534           |
| Other comprehensive income         | -                   | -                |
| <b>Balance at 28 February 2023</b> | <b>1,197,590</b>    | <b>1,197,590</b> |

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Statement of Cash Flows

| Figures in Rand                             | Note(s) | 2023          | 2022            |
|---|---------|---------------|-----------------|
| <b>Cash flows from operating activities</b> |         |               |                 |
| Cash generated from (used in) operations    | 9       | 61,315        | (37,743)        |
| Interest received                           |         | 597           | 19              |
| Finance costs                               |         | (1,190)       | -               |
| <b>Net cash from operating activities</b>   |         | <b>60,722</b> | <b>(37,724)</b> |
| <b>Total cash movement for the year</b>     |         |               |                 |
| Cash at the beginning of the year           |         | 32,118        | 69,842          |
| <b>Total cash at end of the year</b>        | 4       | <b>92,840</b> | <b>32,118</b>   |

# Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

## Accounting Policies

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### 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:

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| 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.

# Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

## Accounting Policies

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### 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.

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Notes to the Annual Financial Statements

| Figures in Rand  | 2023             |                          |                  | 2022             |                          |                  |
|--|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| <b>2. Property, plant and equipment</b>  |                  |                          |                  |                  |                          |                  |
|  | 2023             |                          |                  | 2022             |                          |                  |
|  | 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            | (8,340)                  | -                |
| Equipment  | 32,755           | (32,755)                 | -                | 32,755           | (32,755)                 | -                |
| Security   | 37,991           | (37,991)                 | -                | 37,991           | (37,991)                 | -                |
| <b>Total</b>   | <b>1,214,871</b> | <b>(84,871)</b>          | <b>1,130,000</b> | <b>1,214,871</b> | <b>(84,871)</b>          | <b>1,130,000</b> |
| <b>Details of property</b>   |                  |                          |                  |                  |                          |                  |
| <b>7 Bristol Road, Berea</b>   |                  |                          |                  |                  |                          |                  |
| 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        |
| <b>3. Trade and other receivables</b>  |                  |                          |                  |                  |                          |                  |
| Deposits   |                  |                          |                  | 3,860            |                          | 3,860            |
| Staff loans  |                  |                          |                  | 2,900            |                          | 3,500            |
|  |                  |                          |                  | <b>6,760</b>     |                          | <b>7,360</b>     |

## Vukukhanye

(Registration number: 017-325 NPO)

Annual Financial Statements for the year ended 28 February 2023

### Notes to the Annual Financial Statements

| Figures in Rand  | 2023          | 2022            |
|--|---------------|-----------------|
| <b>4. Cash and cash equivalents</b>  |               |                 |
| Cash and cash equivalents consist of:  |               |                 |
| Bank balances  | 24,652        | 26,670          |
| Money market account   | 68,188        | 5,448           |
|  | <b>92,840</b> | <b>32,118</b>   |
| <b>5. Trade and other payables</b>   |               |                 |
| Accrued expenses   | 32,010        | 38,422          |
| <b>6. Investment revenue</b>   |               |                 |
| Interest received  |               |                 |
| Bank   | 597           | 19              |
| <b>7. Finance costs</b>  |               |                 |
| Late payment of tax  | 1,190         | -               |
| <b>8. Taxation</b>   |               |                 |
| No provision has been made for 2023 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. |               |                 |
| <b>9. Cash generated from (used in) operations</b>   |               |                 |
| Surplus (deficit) before taxation  | 66,534        | (30,816)        |
| <b>Adjustments for:</b>  |               |                 |
| Depreciation   | -             | (1)             |
| Interest received  | (597)         | (19)            |
| Finance costs  | 1,190         | -               |
| <b>Changes in working capital:</b>   |               |                 |
| Trade and other receivables  | 600           | (3,500)         |
| Trade and other payables   | (6,412)       | (3,407)         |
|  | <b>61,315</b> | <b>(37,743)</b> |