

VUKUKHANYE

(Registration Number 017-325 NPO)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

Vukukhanye

(Registration Number 017-325 NPO)

Annual Financial Statements for the year ended 29 February 2024

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	017-325 NPO
Nature of Business and Principal Activities	The organisation contributes 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 Ntanz Anthony van der Meulen (Secretary) Sandy Watt
Registered Office	3 Royston Road Westville Durban 3629
Business Address	3 Royston Road Westville Durban 3629
Bankers	Standard Bank
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Auditors	Baker Tilly Morrison Murray Registered Auditors Chartered Accountants (SA)
Preparer	Sayeshnie Chetty Professional Accountant (SA)

Vukukhanye

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Annual Financial Statements for the year ended 29 February 2024

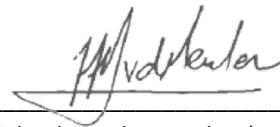
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The annual financial statements set out on pages 6 to 14 which have been prepared on the going concern basis, were approved by the management committee and were signed on 10 December 2024 on their behalf by:



Brad Leech (Chairman and Treasurer)



Michael van der Meulen (Deputy Chairman)

Registered Auditors
Chartered Accountants (SA)

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Independent Auditor's Report

To the Management Committee of Vukukhanye

Opinion

We have audited the financial statements of Vukukhanye (the organisation) set out on pages 6 to 14, which comprise the statement of financial position as at 29 February 2024, 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 of Vukukhanye for the year ended 29 February 2024 are prepared, in all material respects, in accordance with the basis of preparation and summary of significant accounting policies described in Note 1 to the financial statements.

Basis for 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 organisation 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.

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, K Naicker CA(SA) RA, JG Verburg CA(SA) RA, N Weymouth CA(SA) RA

Associates: PJ Clegg CA(SA), N Govender CA(SA), A Nandlal 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 and the local network of Baker Tilly South Africa Proprietary Limited, the members of which are separate and independent legal entities.

Independent Auditor's Report

Responsibilities of the Management Committee for the Annual Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of preparation and summary of significant accounting policies described in note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the Management Committee 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 Management Committee are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of preparation and summary of significant accounting policies unless the Management Committee either intend to liquidate the entity 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of preparation and summary of significant accounting policies and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation'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 organisation 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

We communicate with the Management Committee 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: JG Verburg CA(SA)
Registered Auditor

Westville

Date: 20 December 2024

Vukukhanye

(Registration Number 017-325 NPO)

Financial Statements for the year ended 29 February 2024

Statement of Financial Position

Figures in R

Notes

2024

2023

Assets

Non-current assets

Property, plant and equipment	3	<u>1,130,000</u>	<u>1,130,000</u>
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Current assets

Trade and other receivables	4	5,360	6,760
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Cash and cash equivalents	5	<u>31,624</u>	<u>92,840</u>
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Total current assets		<u>36,984</u>	<u>99,600</u>
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Total assets

		<u>1,166,984</u>	<u>1,229,600</u>
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Equity and liabilities

Equity

Accumulated surplus		<u>1,044,287</u>	<u>1,197,590</u>
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Liabilities

Current liabilities

Trade and other payables	6	<u>122,697</u>	<u>32,010</u>
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Total equity and liabilities

		<u>1,166,984</u>	<u>1,229,600</u>
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Vukukhanye

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Annual Financial Statements for the year ended 29 February 2024

Statement of Comprehensive Income

Figures in R	Notes	2024	2023
Revenue			
Donations - other		40,170	26,890
Donations received - S18A		796,614	890,219
		836,784	917,109
Other income			
Insurance claim		6,940	7,500
Rental income		11,500	4,000
		18,440	11,500
Operating expenses			
Bank charges		(6,743)	(6,652)
Cleaning		(828)	-
Clothing		-	(1,890)
Computer expenses		(969)	(976)
Employee costs		(641,450)	(584,618)
Equipment expensed		(350)	(3,429)
Groceries		(154,194)	(45,589)
Insurance		(10,850)	(10,178)
Medical expense		(2,603)	(1,335)
Motor vehicle expense		(7,653)	(16,099)
Municipal charges		(50,133)	(54,665)
Operating lease expense		(30,000)	(30,000)
Other expenses		(18,455)	(7,799)
Printing and stationery		(873)	(1,743)
Professional fees		(20,907)	(19,346)
Repairs and maintenance		(26,074)	(19,419)
School expenses		(7,093)	(9,656)
Telecommunication		(13,586)	(13,862)
Tertiary education		-	(6,510)
Training		(60)	(50)
Transport		(21,185)	(27,665)
		(1,014,006)	(861,481)
Other gains and losses			
Gain or loss on sale - property, plant and equipment		6,800	-
		(151,982)	67,128
(Deficit) / surplus from operating activities			
		(151,982)	67,128
Finance income	7	671	597
Finance costs	8	(1,992)	(1,190)
		(153,303)	66,535
(Deficit) / surplus for the year			
		(153,303)	66,535

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Financial Statements for the year ended 29 February 2024

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 March 2022	1,131,055	1,131,055
Surplus for the year	66,535	66,535
Other comprehensive income	-	-
Balance at 28 February 2023	1,197,590	1,197,590
Balance at 1 March 2023	1,197,590	1,197,590
Deficit for the year	(153,303)	(153,303)
Other comprehensive income	-	-
Balance at 29 February 2024	1,044,287	1,044,287

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Financial Statements for the year ended 29 February 2024

Statement of Cash Flows

Figures in R

	Notes	2024	2023
Net cash flows (used in) from operations	10	(66,695)	61,315
Interest received		671	597
Income taxes paid		(1,992)	(1,190)
Net cash flows (used in) from operating activities		(68,016)	60,722
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		6,800	-
Cash flows from investing activities		6,800	-
Net (decrease) / increase in cash and cash equivalents		(61,216)	60,722
Cash and cash equivalents at beginning of the year		92,840	32,118
Cash and cash equivalents at end of the year	5	31,624	92,840

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Financial Statements for the year ended 29 February 2024

Accounting Policies

1. General information

Vukukhanye ('the organisation') contributes to the holistic transformation of historically disadvantaged communities in South Africa.

2. Basis of preparation and summary of significant accounting policies

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

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management committee.

The organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Office equipment	5 years / Straight line
Computer equipment	3 years / Straight line
Equipment	5 years / Straight line
Security	6 years / Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

2.2 Financial instruments

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

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Financial Statements for the year ended 29 February 2024

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.3 Leases

Definition

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Classification

A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease when it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases as lessor

Assets subject to operating leases are included in the statements of financial position according to the nature of the asset.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised using the effective interest method.

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

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Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

Figures in R

2024

2023

3. Property, plant and equipment

3.1 Balances for the year

Balance at 29 February 2024	At cost	Accumulated depreciation	Carrying amount
	Buildings	1,130,000	-
Office equipment	5,785	(5,785)	-
Computer equipment	8,340	(8,340)	-
Equipment	32,755	(32,755)	-
Security	37,991	(37,991)	-
	1,214,871	(84,871)	1,130,000

Balance at 28 February 2023	At cost	Accumulated depreciation	Carrying amount
	Buildings	1,130,000	-
Office equipment	5,785	(5,785)	-
Computer equipment	8,340	(8,340)	-
Equipment	32,755	(32,755)	-
Security	37,991	(37,991)	-
	1,214,871	(84,871)	1,130,000

3.2 Movements for the year

Movements for year ended 29 February 2024	Carrying amount at 1 March 2023	Carrying amount at 29 February 2024
	Buildings	1,130,000

Movements for year ended 28 February 2023	Carrying amount at 1 March 2022	Carrying amount at 28 February 2023
	Buildings	1,130,000

3.3 Property details

3.3.1 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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The above property was sold on the 12 March 2024.

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Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

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4. Trade and other receivables

Trade and other receivables comprise:

Sundry debtors	1,500	-
Deposits	3,860	3,860
Employee costs in advance	-	2,900
Total trade and other receivables	5,360	6,760

5. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash

Balances with banks	6,811	24,652
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Cash equivalents

Short term deposits	24,813	68,188
	31,624	92,840

6. Trade and other payables

Trade and other payables comprise:

Trade payables	720	-
Accrued expenses	121,977	32,010
Total trade and other payables	122,697	32,010

7. Finance income

Finance income comprises:

Interest received	671	597
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8. Finance costs

Finance costs included in surplus or deficit:

Late payment of tax	1,992	1,190
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Vukukhanye

(Registration Number 017-325 NPO)

Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

Figures in R

2024

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9. Income tax expense

Additional disclosures

No provision has been made for 2024 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.

10. Cash flows from operating activities

(Deficit) / surplus for the year	(153,303)	66,535
Adjustments for:		
Finance income	(671)	(597)
Finance costs	1,992	1,190
Gains and losses on disposal of non-current assets	(6,800)	-
Change in operating assets and liabilities:		
Adjustments for decrease in other operating receivables	1,400	600
Adjustments for increase in trade accounts payable	720	-
Adjustments for increase / (decrease) in other operating payables	89,967	(6,413)
Net cash flows from operations	(66,695)	61,315