

AMAKHONO OKUPHILA - SKILLS4LIFE
(Registration No. NPO Registration No: 227/842)

ANNUAL FINANCIAL STATEMENTS

31 December 2021

AMAKHONO OKUPHILA - SKILLS4LIFE

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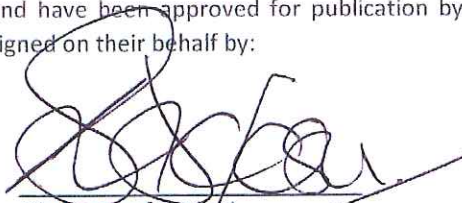
31 DECEMBER 2021


These annual financial statements include statements which have been audited in compliance with the International Financial Reporting Standards for Small and Medium-sized Entities:

	Pages
Independent auditor's report	2 - 3
Directors' report	4 - 5
Statement of financial position	6
Statement of income and retained earnings	7
Notes to the annual financial statements	8 - 10
Detailed income statement	11

Approval

The annual financial statements set out on pages 1 to 11 are the responsibility of the Council and have been approved for publication by the Council on 8 Mar 2022 and are signed on their behalf by:


Chairman of Council


Director of CFC



**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF
AMAKHONO OKUPHILA - SKILLS4LIFE**

Report on the financial statements

We have audited the financial statements of Amakhono Okuphila - Skills4life set out on pages 6 to 10, which comprise the statement of financial position as at 31 December 2021, the statement of income and retained earnings, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collection from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond receipts actually recorded.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Amakhono Okuphila - Skills4life as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 11 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion on it.



Renette Bodenstein CA (SA)

Registered Auditor

Date of report: 22 February 2022

AMAKHONO OKUPHILA - SKILLS4LIFE

COUNCIL'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Council has pleasure in submitting its report together with the annual financial statements for the year ended 31 December 2021.

General review

The organisation was established solely for the receiving of donations, for the creation and continuous funding of multi-racial community services and programs, helping those in need of transformation in themselves, their families, and society.

No matter which is material to the financial affairs of the organisation has occurred between 31 December 2021 and the date of approval of the financial statements.

Statements of responsibility

The Council is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

The Council is also responsible for the organisation's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

The financial statements have been prepared on the going concern basis, since the Council have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the organisation's annual general meeting for the approval.

Financial results

The results of the organisation for the year under review are fully set out in the attached financial statements and require no further comment.

Events after the end of the reporting period

No material fact or circumstance, which requires comment, has occurred between the reporting date and the date of this report.

AMAKHONO OKUPHILA - SKILLS4LIFE

COUNCIL'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Council Members

The Council members during the accounting period and up to the date of this report were as follows:

B Dickson - Chairman
Rev. GL Sander - Director
N Ngeleka
R Benjamin
L Wiles
N Leonard

Auditors

Renette Bodenstein & Company will continue in office.

AMAKHONO OKUPHILA - SKILLS4LIFE

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2021

	Notes	2021 R	2020 R
Assets			
Current assets		37 614	15 355
Trade and other receivables		4 797	-
Bank, cash and cash equivalents	4	32 817	15 355
Total assets		<u>37 614</u>	<u>15 355</u>
Equity and liabilities			
Equity		37 614	15 355
Retained earnings		37 614	15 355
Total equity and liabilities		<u>37 614</u>	<u>15 355</u>

AMAKHONO OKUPHILA - SKILLS4LIFE

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 R	2020 R
Income			
Revenue		102 520	111 247
Expenses			
Operating expenses		(80 261)	(95 892)
Profit for the year		<u>22 259</u>	<u>15 355</u>
Retained earnings at the beginning of the year		<u>15 355</u>	<u>-</u>
Retained earnings at the end of the year		<u><u>37 614</u></u>	<u><u>15 355</u></u>

AMAKHONO OKUPHILA - SKILLS4LIFE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The organisation aims at the following:

1. To address the problem of unemployment by providing practical skills training like sewing, computers, woodwork; cooking & baking; etc.
2. Providing life skills by addressing issues like poverty and its causes; HIV & AIDS; healthy living; job interview preparedness; healthy relationships; CV's; etc.
3. Training towards raising up entrepreneurS by providing basic business training.
4. Annually, providing a three month Business Incubator in which selected candidates can improve their skills, and learn more advanced business techniques to become entrepreneurs.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. They are presented in South African Rands.

Trade receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

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 separately in current liabilities.

AMAKHONO OKUPHILA - SKILLS4LIFE

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into South African Rands using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Revenue

Revenue comprises the invoiced value of sales, recorded in the financial Revenue, which excludes Value Added Tax, comprises of the sale of goods, rendering of services and interest received.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from the rendering of services is recognised on an accrual basis in accordance with the substance of the agreement.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

Financial instruments

Financial instruments as stated on the balance sheet include cash and bank balances, investments, receivables, trade creditors and borrowings. These instruments are stated at amortised cost. Where there is objective evidence of impairment, provisions are made accordingly.

3. Key sources of estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates require management's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting these uncertainties increases, so judgements become more subjective, and the potential for material adjustments to the carrying amounts of assets and liabilities increases.

AMAKHONO OKUPHILA - SKILLS4LIFE

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	R	R
4. Bank, cash and cash equivalents		
Bank and cash balances at year end comprise:		
Petty cash	677	536
Nedbank Limited - Cheque account	32 141	14 819
	<u>32 818</u>	<u>15 355</u>

5. Taxation

Taxation has not been provided as the organisation has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

AMAKHONO OKUPHILA - SKILLS4LIFE

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	R	R
Revenue	102 520	111 247
Donation income	85 886	94 856
Material sales	2 350	11 541
Student contributions	14 284	4 850
Operating expenses	(80 261)	(95 892)
Accounting fees	1 500	-
Advertising & promotions	-	1 334
Bank charges	1 336	1 179
Cleaning	1 293	-
Courses: equipment	9 346	7 481
Courses: honarariums	350	-
Courses: materials	16 861	16 972
Courses: printing & stationary	-	1 415
Functions: catering & hospitality	-	78
Leasing & hire costs	35 000	15 000
Leasing: workshop	3 750	3 750
Printing & stationery	4 167	-
Repairs and maintenance	1 847	43 917
Royalties on materials	2 842	-
Transport costs	1 969	1 266
Web hosting	-	3 101
Website development	-	399
Net profit for the year	22 259	15 355