

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

**ANNUAL FINANCIAL STATEMENTS**

**31 December 2023**

# AMAKHONO OKUPHILA - SKILLS4LIFE

(Registration No. NPO Registration No: 227/842)

## ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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### Approval

The annual financial statements set out on pages 1 to 12 are the responsibility of the Council and have been approved for publication by the Council on 2 APRIL 2024 and are signed on their behalf by:

  
Chairman of Council

  
Director Amakhono Okuphila-Skills4Life



## INDEPENDENT AUDITOR'S REPORT

### TO THE COUNCIL OF AMAKHONO OKUPHILA - SKILLS4LIFE

#### Qualified Opinion

We have audited the financial statements of Amakhono Okuphila - Skills4lifaset out on pages 7 to 11, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the 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 Amakhono Okuphila - Skills4lifeat 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting.

#### Basis for 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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 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.

#### Other information

The Council is responsible for the other information. The other information comprises the Council's. 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, 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 Council for the Financial Statements**

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is 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 accounting unless the Council either intend 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 ISAs 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 ISAs, 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 Council.
- Conclude on the appropriateness of the Council's 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 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.



**RENETTE BODENSTEIN INCORPORATED**

**CHARTERED ACCOUNTANTS (SA)**

Reg no: 2021/550431/21

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Section 33, The Sentinel, Shelly Business Park

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- 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.

We communicate with the Councils 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.

**R.S Bodenstein**

**Chartered Accountant (SA)**

**Registered Auditor**

**IRBA number: 811176**

**Renette Bodenstein Incorporated**

**Date: 15 April 2024**



# **AMAKHONO OKUPHILA - SKILLS4LIFE**

## **COUNCIL'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

The Council has pleasure in submitting its report together with the annual financial statements for the year ended 31 December 2023.

### **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 2023 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 2023**

### **Council Members**

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

N Leonard - Treasurer/ Acting Chairperson

Rev. GL Sander - Director

R Benjamin - Secretary

L Wiles

G Walker

### **Auditors**

Renette Bodenstein Incorporated will continue in office.

# AMAKHONO OKUPHILA - SKILLS4LIFE

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

	Notes	2023 R	2022 R
<b>Assets</b>			
<b>Current assets</b>			
Bank, cash and cash equivalents	4	32,605	9,762
<b>Total assets</b>		<u>32,605</u>	<u>9,762</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Retained earnings		31,305	9,762
<b>Current liabilities</b>		1,300	-
Trade and other payables		1,300	-
<b>Total equity and liabilities</b>		<u>32,605</u>	<u>9,762</u>



# AMAKHONO OKUPHILA - SKILLS4LIFE

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 R	2022 R
<b>Income</b>			
Revenue		118,201	50,208
<b>Expenses</b>			
Operating expenses		(96,658)	(78,060)
<b>Profit / (loss) for the year</b>		<u>21,543</u>	<u>(27,852)</u>
<b>Retained earnings at the beginning of the year</b>		9,762	37,614
<b>Retained earnings at the end of the year</b>		<u><u>31,305</u></u>	<u><u>9,762</u></u>

# AMAKHONO OKUPHILA - SKILLS4LIFE

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 2023

### *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 2023

	2023	2022
	R	R
<b>4. Bank, cash and cash equivalents</b>		
Bank and cash balances at year end comprise:		
Petty cash	5,100	2,311
Nedbank Limited - Cheque account	27,505	7,451
	<u>32,605</u>	<u>9,762</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 2023

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
Revenue	118,201	50,208
Donation income	79,815	2,800
Fundraising	14,522	21,115
Material sales	5,059	1,773
Student contributions	18,805	24,520
Operating expenses	(96,658)	(78,060)
Accounting fees	1,600	1,600
Advertising & promotions	4,119	3,407
Bank charges	1,281	1,202
Cleaning	-	224
Courses: equipment	1,800	9,067
Courses: honarariums	1,889	210
Courses: materials	20,298	25,056
Functions: catering & hospitality	1,591	540
Functions: fundraising expense	3,917	5,663
Leasing & hire costs	28,000	11,500
Leasing: workshop	3,750	4,750
Printing & stationery	1,222	2,783
Repairs and maintenance	9,155	5,933
Royalties on materials	-	1,134
Salaries & wages	14,393	-
Staff training	-	1,000
Transport costs	3,643	2,552
Web hosting	-	1,439
<b>Net profit / (loss) for the year</b>	<b>21,543</b>	<b>(27,852)</b>