

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

**Annual Financial Statements
for the year ended 28 February 2021**

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Annual Financial Statements for the year ended 28 February 2021

Index

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

General Information	1
Report of the Compiler	2
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Statement of Financial Position	6
Supplementary information:	
Detailed Income Statement	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Financial Statements	11 - 12

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Annual Financial Statements for the year ended 28 February 2021

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Education and upliftment of Fisantekraal youth
MANAGEMENT	DT Machikicho M Menze J Isaacs K Zaaiman L Pienaar M Gray AL Mahlatsi
REGISTERED OFFICE	14 Moses Mabhida Street Fisantekraal Durbanville 7550
BUSINESS ADDRESS	14 Moses Mabhida Street Fisantekraal Durbanville 7550
BANKERS	Standard Bank
Income Tax Registration Number	9104019220
PBO registration number	930056934
COMPILERS	Prosperis 59 Kanonnier Crescent Kanonberg Estate Bellville Cape Town 7530
COMPANY SECRETARY	K Zaaiman - Smuts & Co Attorneys

021 913 0074

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Prosperis

Accounting - Tax - Financial Consulting

Report of the Compiler

To the Management of Waumbe Youth Development NPC

We have compiled the accompanying annual financial statements of Waumbe Youth Development NPC based on information you have provided. These annual financial statements comprise the statement of financial position of Waumbe Youth Development NPC as at 28 February 2021, the statement of comprehensive income and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Prosperis

29 July 2021

Per: LD Pienaar

59 Kanonnier Crescent
Kanonberg Estate
Bellville
Cape Town
7530

Professional Accountant (SA)

Louis-Delien Pienaar Professional Accountant (SA)
59 Kanonnier Crescent, Kanonberg Estate, Bellville, 7530

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Annual Financial Statements for the year ended 28 February 2021

Management's Responsibilities and Approval

Management is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The professional accountants are responsible for reporting on the annual financial statements. The professional accountants' compilation report is presented on page 2.

The annual financial statements as set out on pages 6 to 12 were approved by the management committee on 29 July 2021 and were signed on its behalf by:


DT Machikicho
M Menze

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Annual Financial Statements for the year ended 28 February 2021

Management's Report

The management committee present their report for the year ended 28 February 2021.

1. Review of activities

Main business and operations

The principal activity of the organisation is education and upliftment of Fisantekraal youth and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The organisation is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during the next 12 months.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event; however, the National State of Emergency and Lockdown are events, which occurred after the reporting date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non-adjusting event. The impact of COVID-19 on accounting standards that require the use of forward-looking information (expected credit losses and goodwill impairment) was assessed based on information available as at 29 February 2021.

4. Management's interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

6. Management

The management of the organisation during the year and to the date of this report are as follows:

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Annual Financial Statements for the year ended 28 February 2021

Management's Report

DT Machikicho

M Menze

J Isaacs

K Zaaiman

L Pienaar

M Gray

AL Mahlatsi

7. Secretary

The organisation's designated secretary is K Zaaiman - Smuts & Co Attorneys.

8. Compilers

Prosperis were the compilers for the year under review.

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	3	663,641	576,525
Current Assets			
Trade and other receivables	4	26,000	24,671
Cash and cash equivalents	5	22,812	39,184
		48,812	63,855
Total Assets		712,453	640,380
Reserves and Liabilities			
Reserves			
Retained earnings		640,130	573,268
Non-Current Liabilities			
Borrowings	7	72,321	67,111
Current Liabilities			
Trade and other payables		2	1
Total Reserves and Liabilities		712,453	640,380

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Detailed Income Statement

Figures in R	2021	2020
Gross Revenue		
Donations received	487,197	500,205
Rent received	205,476	152,348
Sundry income	7,732	14,117
	<u>700,405</u>	<u>666,670</u>
Other Income		
Investment income	2,105	1,368
	<u>2,105</u>	<u>1,368</u>
	<u>702,510</u>	<u>668,038</u>
Expenditure		
Accreditation fees	14,850	11,110
Advertising	3,200	6,325
Attorney fees	-	7,256
Bank charges	6,019	6,317
Catering	-	3,140
Computer expenses	1,730	4,680
Consulting fees	185,616	86,695
Delivery expenses	-	1,260
Depreciation - Tangible assets	53,384	5,869
Electricity and water	1,048	1,714
Finance costs	5,212	7,177
Gifts	-	241
Insurance	16,148	5,184
Office expenses	3,685	6,243
Pillar 1 - Societal reform	18,327	114,830
Pillar 2 - Education etc	13,752	55,522
Pillar 3 - Achievers Awards	13,385	-
Pillar 4 -Learnerships	11,093	900
Printing and stationery	8,623	-
Refreshments	8,517	-
Registration fees	-	4,150
Repairs and maintenance	17,310	30,674
Safety equipment	449	13,071
Salaries	204,016	56,917
Security	8,651	7,513
Staff welfare	7,899	-
Subscriptions	-	3,000
Telephone and fax	18,749	23,107
Training	-	9,881
Transport	13,985	4,569
	<u>635,648</u>	<u>477,345</u>
Surplus for the year	<u>66,862</u>	<u>190,693</u>

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

Figures in R	Note	2021	2020
Cash flows from operating activities			
Surplus for the year		66,862	190,693
<i>Adjustments for:</i>			
Finance costs		5,212	7,177
Depreciation of tangible assets		53,384	5,869
Investment income		(2,105)	(1,368)
Operating cash flow before working capital changes		<u>123,353</u>	<u>202,371</u>
<i>Working capital changes</i>			
Increase in trade and other receivables		(1,329)	(23,285)
Increase / (decrease) in trade and other payables		1	(17,999)
Net cash flows from operations		<u>122,025</u>	<u>161,087</u>
Investment income		2,105	1,368
Finance costs		(5,212)	(7,177)
Net cash flows from operating activities		<u>118,918</u>	<u>155,278</u>
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(140,500)	(23,000)
Net cash flows used in investing activities		<u>(140,500)</u>	<u>(23,000)</u>
Cash flows from / (used in) financing activities			
Loans raised / (repaid)		5,210	(93,549)
Prior year adjustments			(1,607)
Net cash flows from / (used in) financing activities		<u>5,210</u>	<u>(95,156)</u>
Net (decrease) / increase in cash and cash equivalents		(16,372)	37,122
Cash and cash equivalents at beginning of the year		39,184	2,062
Cash and cash equivalents at end of the year	5	<u>22,812</u>	<u>39,184</u>

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Accounting Policies

1. General information

Waumbe Youth Development NPC is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises of donations received. Donations are recognised upon receipt thereof.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

Rental income

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

2.2 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits will flow to the enterprise, and the cost of the investment property can be reliably measured. Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, for administrative purposes, or for sale in the ordinary course of business.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting period with changes in fair value recognised in profit or loss. If the fair value cannot be determined without undue cost and effort, the investment property is classified to property, plant and equipment.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Accounting Policies

Summary of significant accounting policies continued...

Costs include 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.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	20.00%
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2.4 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.

2.5 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest rate method and is included in finance costs.

Borrowings are classified as current liabilities unless the organisation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.6 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest rate method and is included in finance costs.

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in R	2021	2020
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3. Property, plant and equipment

	Cost	Accumulated depreciation	2021 Carrying value	Cost	Accumulated depreciation	2020 Carrying value
<i>Owned assets</i>						
Land and buildings	553,626	-	553,626	553,626	-	553,626
Furniture and fittings	35,118	19,238	15,880	35,118	12,219	22,899
IT equipment	140,500	46,365	94,135	-	-	-
	729,244	65,603	663,641	588,744	12,219	576,525

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	553,626	-	-	-	553,626
Furniture and fittings	22,899	-	-	(7,019)	15,880
IT equipment	-	140,500	-	(46,365)	94,135
	576,525	140,500	-	(53,384)	663,641

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	553,626	-	-	-	553,626
Furniture and fittings	5,768	23,000	-	(5,869)	22,899
	559,394	23,000	-	(5,869)	576,525

Land and buildings # 1

Erf 893 Fisantekraal

-Acquired on 10 December 2018

-Costs of improvements

	220,000	220,000
	333,626	333,626
	553,626	553,626

4. Trade and other receivables

Trade debtors	26,000	24,671
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5. Cash and cash equivalents

Favourable cash balances

Cash on hand	445	774
Current account	22,367	38,309
Call Account	-	101
	22,812	39,184

WAUMBE YOUTH DEVELOPMENT NPC

(Registration Number 2015/166063/08)

Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in R	2021	2020
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6. Other components of equity

Prior year adjustment	1,607	-
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7. Borrowings

Unsecured		
Other long term liability	72,321	67,111
	<u>72,321</u>	<u>67,111</u>

The above loans are unsecured, interest bearing and the conditions of repayment are at the discretion of the directors, subject to the availability of funds.

-	-
<u>72,321</u>	<u>67,111</u>

8. Taxation

The company is registered as a Public Benefit Organization and is thus exempt from South African normal taxation, in accordance with the provisions of Section 10(1)(CN) of the Income Tax Act

9. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 29 July 2021.