ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS

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for the year ended 30th June 2022

PREPARED BY

LUNTU NOGWENTE
TAX CONSULTANTS & BOOKKEEPERS

Business Accounting in Practise (SA) Designation number 472

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LUNTU NOGWENTE
TAX CONSULTANTS & BOOKKEEPERS

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Report of the accounting officer to Advance Edukos Foundation

Part I

We have performed the duties of accounting officer to **Advance Edukos Foundation** for the year ended 30 June 2022 as required by Section 17 of the Non-Profit Organisations Act, 1997

The annual financial statements as set out on pages 7 to 15 are the responsibility of the members. No assurance is required by Act to be carried out and no assurance engagement was conducted. Accordingly, we do not imply or express an opinion or any other form of assurance on the annual financial statements.

We report, as required in terms of section 17(2) of the Non-Profit Organisations Act, 1997 of South Africa, having adopted such procedures and conducting such enquiries in relation to the accounting records as we have agreed with you, that:

- The financial statements of the organization are consistent with its accounting records.
- The accounting policies of the organization are appropriate and have been appropriately applied in the preparation of the financial statement, and
- The organization has complied with the provisions of the NPO Act and of its constitution which relate to financial matters.

Part II

Scope

We have performed the duties of accounting officer as required by Section 62 of the Act and dealt with in part I of the report, in terms of the procedures agreed with you and described below and in accordance with the framework for accounting officer engagements as adopted by our firm.

The procedures were undertaken in accordance with the international Standards on Related Services applicable to agreed –upon procedures regarding financial information (ISRS 4400).

The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of **Advance Edukos Foundation.** The procedures were performed soley to assist you in [state purpose e.g complying with the requirements of the Section 17(2) *Non ProfitOrganisationAct,*1997]and should be used by you only for this purpose and shall not be distributed to other parties. The procedures are summarized as follows:

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Review Procedures

1. We obtained and checked the trial balance as at (date) prepared by **Advance Edukos Foundation,** and we compared the line items and totals to the financial statements.

2.We compare the closing and opening balances of prior and current financial years;

3.We obtain the bank reconciliations and compared the balance with the amount reflected on the trail balance;

4. We obtained a schedule of receivables and determined whether the total agrees with the trial balance;

5. We obtain a schedule of property, plant and equipment indicating the cost and accumulated depreciation and determined whether it agrees with the trial balance;

6. We obtained a schedule of trade receivables and determined whether the total agreed with the total balance.

7. We read the accounting policies as presented to us by the organisation and considered whether they are appropriate.

8. We obtained confirmation from staff and management that the organization are keeping accounting records and have prepared financial statements as prescribed by the *NPO Act* and the organization constitution.

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Findings

We report our findings below:

a. *With respect to item 1 we found the addition to be correct and the line items and the total amounts to be in arrangement*
b. *With the respect of item 2 we found the balances to be in agreement.*
c. *With respect to item 3 we found the amounts to be in agreement*
d. *With respect to item 4 we found the amounts to be agreement*
e. *With respect to item 5 we found the amounts to be in agreement*
f. *With respect to item 6 we found the amounts to be in agreement*
g. *With respect to item 7 we found that accounting policies and framework are in agreement.*
h. *With respect to item 8 we found that the organisation [has/has not] complied with the provision of the NPO Act and of its constitution which relate to financial matters.*

Because the above procedures do not constitute an assurance engagement made in accordance with International Standards on Auditing or international Standards on Review Engagements we do not express any assurance on the annual financial statements.

Had we performed additional procedures or had we performed an assurance engagement of the financial statements in accordance with a relevant International Standards such as the International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

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Part II of this report is solely for the purpose set out in the first paragraph thereof and for your information, and is not to be used for any other purpose, nor to be distributed to any other parties. This report relates only to the accounts and items specified above, and do not extend to the annual financial statements taken as a whole.

Luntu Nogwente

Business Accounting in Practise (SA) Designation number 472

Date: 31st October 2022

Address: CNR Spine Road and Lwandle Street

Training Centre

Khayelitsha

Cape Town

7784

saiba
SOUTHERN AFRICAN INSTITUTE FOR BUSINESS ACCOUNTANTS

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

DIRECTORS REPORT & APPROVAL

Directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the contents and integrity of the financial statements and related financial information including in this report. It is their responsibility to ensure the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flow for the period ended, in conformity with International Financial Reporting Standards for SME's. The Accounting Officers are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for SME's and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls, established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in cost effective manner. The standards include 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 employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The management of risk in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanation given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of financial statements. However, any system of internal financial control can only provide reasonable, and not absolute, assurance against material misstatements or loss.

The directors have reviewed the company's cash flow forecast for the year to 30th June 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Accounting Officers are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by our Accounting Officers and their report is attached hereto.

The financial statements set out on pages 7 to 15, which have been prepared on the going concern basis were approved by the board on 31st October 2022 and were signed on its behalf by:

I. HADDOW-FLOOD (THE CHAIRPERSON)

R. WALLJEE (THE TREASURER)

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

GENERAL INFORMATION

NATURE OF BUSINESS:	Non-Profit – Youth After-school Programme
THE BOARD OF MANAGEMENT:	Isla Haddow-flood (chairperson) Laura Spannenberg (Secretary) Raabia Walljee (Treasurer)
BUSINESS ADDRESS:	45 Birkenhead Drive, Bayview, 7798
BANKERS:	FNB
ACCOUNTING OFFICERS:	LN Tax Consultants & Bookkeepers Business Accounting in Practice (SA)

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

STATEMENT OF FINANCIAL POSITION

	Note	30-Jun-22	30-Jun-21
ASSETS			
PROPERTY PLANT & EQUIPMENT	2.1 & 3	59 504	36 914
ACCUMULATED DEPPRECIATION		59 504	36 914
CURRENT ASSETS		8 275	233
CASH & CASH EQUIVALENTS	4	8 275	233
OTHER CURRENT ASSETS		-	-
TOTAL ASSETS		8 275	233
RESERVES & LIABILITIES			
RESERVES			
Accummulated Surplus		8 275	233
LONG-TERM BORROWING	5.1	-	-
CURRENT LIABILITIES	5.2	-	-
TOTAL RESERVES & LIABILITIES		8 275	233

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

STATEMENT OF REVENUE & EXPENDITURE

	NOTES	30-Jun-22	30-Jun-21
REVENUE	2.4	110 207	145 924
OTHER INCOME		-	-
TOTAL INCOME		110 207	145 924
PROGRAMME COSTS		69 800	98 524
OPERATING OVERHEADS		32 366	47 817
SURPLUS FOR THE YEAR		8 042	(417)

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

STATEMENT OF CASH FLOW

		30-Jun-22	30-Jun-21
CASH COLLECTED FROM OPERATING ACTIVITIES		**67 233**	**9 617**
CASH PAID TO SUPPLIERS & EMPLOYEES		**59 191**	**8 734**
NET CASH GENERATED FROM OPERATIONS	6	**8 042**	**883**
CASH FLOW FROM INVESTING ACTIVITIES		-	**1 300**
Acquisition of Property, Plant & Equipment		-	1 300
Interest Earned		-	-
CASH FLOW FROM FINANCING ACTIVITIES		-	-
Interest Paid		-	-
Long-term loan Received		-	-
Payments on long-tem loan		-	-
NET CASH FLOW		**8 042**	**(417)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**233**	
CASH AND CASH EQUIVALENT AT THE END OF YEAR		**8 275**	**(417)**

STATEMENT OF CHANGES IN RESERVES

	ACCUMULATED SURPLUS	TOTAL RESERVES
Balance at 1 June 2021	233	233
Total Comprehensive Surplus	8 042	8 042
	-	-
Balance at 30 June 2022	8 275	8 275

Notes

1. Basis of preparation

The financial statements are prepared in accordance with South African Statements Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate.

Unless otherwise specifically stated, this basis is consistent with that of the previous year.

The following South African Statements of Generally Accepted Accounting Practice have been applied ahead of their affective dates:

- eg. AC 125
- eg. AC 137

The corporation has adopted the South African Rand as its reporting currency. Notwithstanding the South African Rand reporting currency, the corporation measures separately the transactions of each material operation using the particular currency of the primary economic environment in which the corporation conducts its business.

2. Summary of Significant Accounting Policies

The financial statements incorporate the following significant accounting policies which are consistent with those applied in previous years except where otherwise stated.

2.1. Property, Plant and Equipment

Property, Plant and Equipment are initially recognised at cost price. All plant and equipment under the value of R5000 are written off during the current year of purchase. No deppreciation is written off on land and buildings. Plant and equipment subsequently measured at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation on equipment, computer equipment and furniture are written off at a rate deemed to be sufficient to reduce the carrying amount of the assets over their estimated useful life to their estimated residual value.

Depreciation rates are as follows:

- Motor Vehicle - 15% per annum according to the straight line method
- Computer Equipment - 33.3% per annum according to the straight line method
- Factory Equipment - 33.3% per annum according to the straight line method
- Furniture and Fittings - 20% per annum according to the straight line method

2.2. Financial Assets

Financial assets are recognised in the entity's statement of financial position when the entity becomes a party to the contractual provisions of an instrument.

Financial instruments are initially measured at cost which is fair value plus transaction costs, except for "Financial assets at fair value through profit or loss" which are measured at cost, transaction costs excluded.

The entity classifies its financial assets in the following categories:

- At fair value through profit or loss
- Loans and Receivables

The entity classification depends on the purpose for which the entity acquired the financial assets

Cash and cash equivalents are classified as "Financial assets at fair value through profit or loss" Cash and cash equivalents consist of cash on hand.

2.3. Inventories

Inventories are initially measured at cost and subsequently valued at the lower of cost or net realisable value. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less any costs of completion and disposal

2.4. Financial Liabilities

Financial liabilities are recognised in the entity's statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The classification depends on the purpose for which the financial liabilities were obtained.

2.5. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue consists of fees for services rendered and donations and grants provided in the normal course of business. The entity is not registered as VAT vendor.

3. Property, Plant and Equipment

	COMPUTER EQUIPMENT	EQUIPMENT	FURNITURE & FITTINGS
Balance on 30 June 2021	**34 114**	**-**	**2 800**
Computer Equipment @ Cost	34 114	-	
Furniture & Fittings @ Cost	-	-	2 800
Acqusitions during the year	22 590	-	-
Disposals during the year	-	-	-
Deppreciation for the year	22 590	-	-
Balance on 30 June 2022	**-**	**-**	**-**
Cost	56 704	-	2 800
Accumulated Deppreciation	(56 704)	-	(2 800)

4. Current Assets

Financial Asset at Fair Value Through Profit & Loss

Cash & Cash Equivalents:	**8 275**
FNB Current Account	7 943
Petty Cash	332
Loan Term Loan	-
Investments	-

5. Financial Liabilities

5.1. Long term Borrowing

5.2. Current Liabilities

Accrued expenses	-
Value added tax	-
Employees Tax (UIF)	-
Income Tax	-

3. Property, Plant and Equipment

	COMPUTER EQUIPMENT	EQUIPMENT	FURNITURE & FITTINGS
Balance on 30 June 2021	**34 114**	**-**	**2 800**
Computer Equipment @ Cost	34 114	-	
Furniture & Fittings @ Cost	-	-	2 800
Acqusitions during the year	22 590	-	-
Disposals during the year	-	-	-
Deppreciation for the year	22 590	-	-
Balance on 30 June 2022	**-**	**-**	**-**
Cost	56 704	-	2 800
Accumulated Deppreciation	(56 704)	-	(2 800)

4. Current Assets

Financial Asset at Fair Value Through Profit & Loss

Cash & Cash Equivalents:	**8 275**
FNB Current Account	7 943
Petty Cash	332
Loan Term Loan	-
Investments	-

5. Financial Liabilities

5.1. Long term Borrowing

5.2. Current Liabilities

Accrued expenses	-
Value added tax	-
Employees Tax (UIF)	-
Income Tax	-

6. Cash Generated from Operating Activities	30-Jun-22	30-Jun-21
Surplus for the year	**8 042**	**(417)**
Adjustment for:		
Non-Cash Items	**-**	**1 300**
Deppreciation & Amortisation	22 590	36 914
Donations in kind (Assets)	(22 590)	(35 614)
Irecoverable Fees	-	-
Non-Operating Items	-	-
Investment Income	-	-
Finance Costs	-	-
Change in Working Capital	-	-
Accounts Payable	-	-
Accounts Recievable	-	-
Cash Generated from Operating Activities	**8 042**	**883**

ADVANCE EDUKOS FOUNDATION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

ANNEXURE A. DETAILED STATEMENT OF REVENUE & EXPENDITURE

	NOTES	30-Jun-22	30-Jun-21
REVENUE	2.4	**110 207**	**145 924**
Backabuddy		1 402	667
Donations/Dischem foundation		22 344	90 307
Donations/Haunrieter		-	2 900
Donations/Afda College		-	1 500
Donations/Ward Councillor		-	40 000
Subsidies/WC-Dept of Cultural Affairs & Sport		31 731	-
Donations/The Sozo Foundation		30 630	1 600
Donations/W. Abrahams		23 400	-
Other Donations		700	8 950
OTHER INCOME		-	-
Interest Earned		-	-
TOTAL INCOME		**110 207**	**145 924**
PROGRAMME COSTS		**69 800**	**98 524**
Nutrition		8 104	-
Facilitators Fees		-	100
Volunteer Stipends		27 550	600
Graduation		2 691	-
Programme Materials		27 420	93 686
Campaign Materials		1 760	4 138
Other Programme Costs		2 275	-
OPERATING OVERHEADS		**32 366**	**47 817**
Marketing & Branding		-	590
Transport		2 900	-
Cellphone Expenses		45	856
Printing & Stationery		2 020	8 680
Bank Charges		1 126	777
Accounting & Audit Fees		2 500	-
Subscription Fees		1 185	-
Deppreciation on Computer Equipment		22 590	34 114
Deppreciation on Furniture		-	2 800
Deppreciation on Equipment		-	-
SURPLUS FOR THE YEAR		**8 042**	**(417)**