

PHAKAMANI YOUNG MINDS ACADEMY

(Registration Number 164-855 NPO)

Annual Financial Statements

for the year ended 31 December 2019

PHAKAMANI YOUNG MINDS ACADEMY

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2019

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Educational Services
MANAGEMENT	Bokang Mokoena Sibusiso Zungu Itumeleng Ngubeni Mathaphelo Mosia Thando Maumela Elaine Porter Bertha Phohlela
REGISTERED OFFICE	69/3137 Draco Street Freedom Park Devland Ext 27 Gauteng 1811
BUSINESS ADDRESS	69/3137 Draco Street Freedom Park Devland Ext 27 Gauteng 1811
BANKERS	First National Bank
INCOME TAX REGISTRATION NUMBER	9990155161
PBO REGISTRATION NUMBER	93005981
PAYE REGISTRATION NUMBER	7880808045
UIF REGISTRATION NUMBER	U880808045
COMPILER	JMP Accountants & Consultants 11 Kayburne Avenue Randpark Ridge Johannesburg Gauteng 2169
COMPANY SECRETARY	Mathaphelo Mosia

REPORT OF THE ACCOUNTING OFFICER

To the Management of Phakamani Young Minds Academy

Part I

I have performed the duties of accounting officer to Phakamani Young Minds Academy for the year ended 31 December 2019 as required by Section 17 of the Non-profit Organisations Act, 1997.

The annual financial statements of Phakamani Young Minds Academy set out on pages 7 to 13 are the responsibility of management. No assurance is required by the Act to be carried out and no assurance engagement was conducted. Accordingly, I do not imply or express an opinion or any other form of assurance on the annual financial statements.

I 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 I have agreed with you, that:

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

JMP Accountants & Consultants

19 June 2020



John Uzwenkosi Mhlanga BAP (SA) 3839
Accounting officer

11 Kayburne Avenue
Randpark Ridge
Johannesburg
Gauteng
2169

PHAKAMANI YOUNG MINDS ACADEMY

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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.

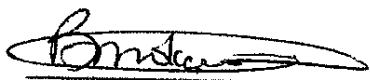
Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee sets standards 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 accounting officer is responsible for reporting on the organisation's annual financial statements. The accounting officer report is presented on page 3.

The annual financial statements as set out on pages 7 to 13 were approved by the management committee on 19 June 2020 and were signed on its behalf by:



Bokang Mokoena



Sibusiso Zungu



Itumeleng Nguberi



Mathaphelo Mosia



Thando Maumela



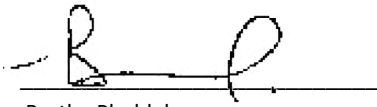
Elaine Porter

PHAKAMANI YOUNG MINDS ACADEMY

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Annual Financial Statements for the year ended 31 December 2019

MANAGEMENT'S RESPONSIBILITIES AND APPROVAL



Bertha Phohlela

PHAKAMANI YOUNG MINDS ACADEMY

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Annual Financial Statements for the year ended 31 December 2019

MANAGEMENT'S REPORT

The management committee present their report for the year ended 31 December 2019.

1. Review of activities

Main business and operations

The principal activity of the organisation is educational Services 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.

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.

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. Management

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

Bokang Mokoena
Sibusiso Zungu
Itumeleng Ngubeni
Mathaphelo Mosia
Thando Maumela
Elaine Porter
Bertha Phohlela

6. Secretary

The organisation's designated secretary is Mathaphelo Mosia.

7. Compiler

JMP Accountants & Consultants was the compiler for the year under review.

PHAKAMANI YOUNG MINDS ACADEMY

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Financial Statements for the year ended 31 December 2019

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	394,985	141,125
Current Assets			
Loans receivable		4,818	4,818
Cash and cash equivalents	4	6,606	16,505
		11,424	21,323
Total Assets		406,409	162,448
Reserves and Liabilities			
Reserves			
Retained earnings		406,409	162,448
Total Reserves and Liabilities		406,409	162,448

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Financial Statements for the year ended 31 December 2019

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	Note	2019	2018
Revenue	5	861,260	528,984
Operating costs		(617,299)	(390,637)
Operating surplus		243,961	138,347
Surplus for the year		243,961	138,347
Retained income at 1 January 2019		162,448	24,101
Surplus for the year		243,961	138,347
Retained income at 31 December 2019		406,409	162,448

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Financial Statements for the year ended 31 December 2019

STATEMENT OF CHANGES IN RESERVES

Figures in R	Accumulated surplus	Total
Balance at 1 January 2018	24,101	24,101
Total comprehensive income for the year		
Surplus for the year	138,347	138,347
Total comprehensive income for the year	<u>138,347</u>	<u>138,347</u>
Balance at 31 December 2018	<u>162,448</u>	<u>162,448</u>
Balance at 1 January 2019	162,448	162,448
Total comprehensive income for the year		
Surplus for the year	243,961	243,961
Total comprehensive income for the year	<u>243,961</u>	<u>243,961</u>
Balance at 31 December 2019	<u>406,409</u>	<u>406,409</u>

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Financial Statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS

Figures in R	Note	2019	2018
Cash flows (used in) / from operating activities			
Surplus for the year		243,961	138,347
<i>Adjustments for:</i>			
Depreciation of tangible assets		38,930	18,579
In-Kind Donations received		(437,247)	-
In-Kind Expenses		148,957	-
Operating cash flow before working capital changes		(5,399)	156,926
<i>Working capital changes</i>			
Increase in short term loans		-	(618)
Net cash flows (used in) / from operations		(5,399)	156,308
Net cash flows (used in) / from operating activities		(5,399)	156,308
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(4,500)	(146,964)
Net cash flows used in investing activities		(4,500)	(146,964)
Net (decrease) / increase in cash and cash equivalents		(9,899)	9,344
Cash and cash equivalents at beginning of the year		16,505	7,161
Cash and cash equivalents at end of the year	4	6,606	16,505

PHAKAMANI YOUNG MINDS ACADEMY

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Financial Statements for the year ended 31 December 2019

ACCOUNTING POLICIES

1. General information

Phakamani Young Minds Academy 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 the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

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:

2.1.1 Services revenue

The service rendered is recognised as revenue by reference to the stage of completion of the transaction at the balance sheet date.

2.2 Property, plant and equipment

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

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:

Plant and equipment	12.50%
Furniture and fittings	16.67%
Premises	5.00%
Office equipment	12.50%
Computer equipment	33.33%

2.3 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.

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Financial Statements for the year ended 31 December 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R

2019

2018

3. Property, plant and equipment

	Cost	Accumulated depreciation	2019 Carrying value	Cost	Accumulated depreciation	2018 Carrying value
<i>Owned assets</i>						
Plant and equipment	7,249	1,469	5,780	3,250	813	2,437
Furniture and fittings	72,490	17,065	55,425	38,996	7,829	31,167
Premises	223,000	5,575	217,425	-	-	-
Office equipment	101,800	19,279	82,521	100,000	6,667	93,333
Computer equipment	52,216	19,382	32,834	21,719	7,531	14,188
	456,755	62,770	393,985	163,965	22,840	141,125

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Plant and equipment	2,437	3,999	-	(656)	5,780
Furniture and fittings	31,167	33,494	-	(9,236)	55,425
Premises	-	223,000	-	(5,575)	217,425
Office equipment	93,333	1,801	-	(12,613)	82,521
Computer equipment	14,188	30,496	-	(11,850)	32,834
	141,125	292,790	-	(39,930)	393,985

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
Plant and equipment	2,843	-	-	(406)	2,437
Furniture and fittings	3,777	34,464	-	(7,074)	31,167
Office equipment	-	100,000	-	(6,667)	93,333
Computer equipment	6,120	12,500	-	(4,432)	14,188
	12,740	146,964	-	(18,579)	141,125

4. Cash and cash equivalents

Favourable cash balances

Bank balances	6,606	16,505
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PHAKAMANI YOUNG MINDS ACADEMY

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Financial Statements for the year ended 31 December 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2019	2018
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5. Revenue

An analysis of revenue is as follows:

Donations received	130,000	236,505
Contributions received	294,013	285,329
In-Kind Contributions received	437,247	-
Other income	-	7,150
	<u>861,260</u>	<u>528,984</u>

6. Profit before tax

The following items have been recognised as expenses (income) in determining profit before tax:

Depreciation - Tangible assets	<u>38,930</u>	<u>18,579</u>
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7. Going Concern

The members believe that the organisation will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements. The outbreak of the Corona Virus (COVID-19) has resulted in disruptions to business activity in South Africa and globally. On 27 March 2020, South Africa's sovereign credit rating was downgraded to sub-investment grade. The impact of both the COVID-19 and the downgrade will be monitored and assessed for their impact on PYMA's business. Specifically, PYMA's donation funds received from students' parents has decreased significantly as a result of the National Lockdown that was implemented in South Africa to minimise the spread of coronavirus (COVID-19). The decrease does not change the amounts reported as at 31 December 2019, but rather affect the 2021 financial year.

8. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 19 June 2020.

PHAKAMANI YOUNG MINDS ACADEMY

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Financial Statements for the year ended 31 December 2019

DETAILED INCOME STATEMENT

Figures in R	2019	2018
Gross Revenue		
Contributions received	294,013	285,329
Donations received	130,000	236,505
In-Kind Contributions received	437,247	-
Other income	-	7,150
	<u>861,260</u>	<u>528,984</u>
Expenditure		
Administrative expenses	680	-
Advertising	431	1,653
Award expenses	-	32,288
Bank charges	5,993	7,673
Computer expenses	160	-
Consumables	1,300	-
Depreciation - Tangible assets	38,930	18,579
Entertainment	1,542	12,123
Event expenses	3,500	-
General expenses	-	26,304
Legal expenses	18,480	-
Printing and stationery	18,835	11,715
Refreshments	2,603	-
Refreshments - Matric Day	660	-
Rent expense	15,300	12,900
Repairs and maintenance	19,780	3,321
Salaries	179,580	138,103
Telephone and internet	10,649	12,170
Training	5,177	3,960
Training - Capacity Development	125,477	-
Transport	17,581	44,669
Volunteer's Transport	150,641	65,179
	<u>617,299</u>	<u>390,637</u>
Surplus for the year	<u>243,961</u>	<u>138,347</u>