

# **Phakamani Young Minds Academy**

**(Registration Number 164-855 NPO)**

**Annual Financial Statements**

**for the year ended 31 December 2020**

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Index

---

	<b>Page</b>
General Information	2 - 3
Members' Responsibilities and Approval	4
Chairmans' Report	5
Members' Report	5
Report of the Accounting Officer	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Financial Statements	12 - 15
Supplementary information: Detailed Income Statement	16

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## General Information

---

<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	164-855 NPO
<b>Registration Date</b>	22 January 2016
<b>Nature of Business and Principal Activities</b>	The non-profit organisation Educational Services.
<b>Members</b>	Bokang Mokoena Sibusiso Zungu Itumeleng Ngubeni Mathaphelo Mosia Thando Maumela Elaine Porter Bertha Phohlela Daniel Katanda
<b>Registered Office</b>	69/3137 Draco Street Freedom Park Devland Ext 27 Gauteng 1811
<b>Business Address</b>	69/3137 Draco Street Freedom Park Devland Ext 27 Gauteng 1811
<b>Postal Address</b>	69/3137 Draco Street Freedom Park Devland Ext 27 Gauteng 1811
<b>Bankers</b>	First National Bank
<b>Tax Number</b>	9990155161
<b>PAYE Registration number</b>	7880808045
<b>SARS Reference Numbers</b>	
PBO number	93005981

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## General Information

---

**Business Accountant in Practice (SA)**

Gasa Incorporation  
11 Kayburne Avenue  
Randpark Ridge  
Johannesburg  
Gauteng  
2169

**Non-Profit Organisation Secretary**

Mathaphelo Mosia

**Preparer**

Gasa Incorporation  
11 Kayburne Avenue  
Randpark Ridge  
Johannesburg  
Gauteng  
2169

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Members' Responsibilities and Approval

---

The members are required by the Non-profit organisations Act of South Africa 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 with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit organisation, and explain the transactions and financial position of the business of the non-profit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit organisation and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the non-profit organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set 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 non-profit organisation and all employees are required to maintain the highest ethical standards in ensuring the non-profit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The members are 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 the members have no reason to believe that the non-profit organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit organisation.

The accounting officer is responsible for reporting on the non-profit organisation's annual financial statements. The accounting officer report is presented on page 6.

The annual financial statements set out on pages 7 to 15, and the supplementary information set out on page 16 which have been prepared on the going concern basis, were approved by the members and were signed on 21 August 2021 on their behalf by:

B.mokoena

Bokang Mokoena

J.B. Ngubeni

Itumeleng Ngubeni

T. Maumela

Thando Maumela

B.P.

Bertha Phohlela

[Signature]

Sibusiso Zungu

[Signature]

Mathaphelo Mosia

Elaine Porter

Elaine Porter

[Signature]

Daniel Katanda

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Chairmans' Report

---

The first week of 2020 was a very strange one worldwide, almost as if it were signalling the advent of something even bigger. We had the Australian wildfires that wreaked havoc there. The Iran-US conflict that had everyone convinced that we are approaching another global war. The sporting world was mourning the loss of Kobe Bryant. While this was settling, news of a strange virus surfaced in ASIA. Little did we know that this would mean the whole world was about to change, forever.

On the 27th March 2020 the Country went into a National Lockdown as the confirmed cases of COVID 19 were already 1170 with 2 people losing their lives. The changes that happened affected us all including PYMA.

The board and management had to comprehend the digital divide that is facing the country especially around Freedom Park. The meetings had to move to the virtual space which had its own challenges. However, this part was eventually resolved.

Some of our parents suffered loss or a reduction in income due to the lockdown and this could not be easy on our young minds as they also needed to navigate through this situation. In the middle of all this chaos, our funders came through a lot for us during the year so that we may keep growing as a learning institution to cover costs and continue with the programmes. At the end of the year, the academy had raised a total of R 1 160 594 which is double the funds raised in 2019. The administrative expenses have been kept at a minimum. However, more investment has been made into the various programmes to enable

As PYMA was landing the interventions to continue with the programme and all seemed to be working well, the former Executive Director who also founded PYMA resigned to join another NPO. This brought about uncertainty and anxiety within the stakeholder community. However, this was swiftly dealt with by the Board through appointment of Mr Mthandazo Khumalo. He has been part of PYMA and brings with a wealth of Academic knowledge. Mr Khumalo is also a PhD candidate at the University of South Africa. The community, the board, the staff, the tutors, and the learners are ever so grateful for the visionary young mind that we have in Bokang Mokoena. This has led the board to retain Mr Bokang Mokoena as a board member to ensure that the foundational essence of the academy continues.

The journey continued with more programmes introduced, increased connectivity provisioning and more access to funding from major donors through the current Executive Directors leadership. The administrative team has been very instrumental in enabling the delivery of programmes as they became the interface between the community, in particular the parents, and the academy, to enable communication. Our key and strategic team of tutors have gone beyond the call of duty in certain instances through their intervention to enable the success that the learners enjoy.

The board's participation cannot go unnoticed as they tirelessly spent a total of over 40 hours drafting the 2021/25 Strategy. The refreshed purpose is: "we seek to develop the potential young minds to enable their moment towards self-sustainable individuals". This purpose, together with the values of self-worth, empowerment, safety, excellence, and stewardship will chart an exciting way forward for the academy as we are bridging the skills development gap.

As our young minds navigate through life, may they be supported, loved, and cared for by us all. They are part of the hope that Africa has, to change the narrative from being a consumer to a producer in the world.



---

Chairman

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Members' Report

---

The members present their report for the year ended 31 December 2020.

### 1. Review of activities

#### Main business and operations

The non-profit organisation Educational Services. There were no major changes herein during the year.

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

### 2. Events after reporting date

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

The members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit organisation.

#### Impact of COVID-19

The outbreak of the coronavirus (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 2020 financial year.

### 3. Members

The members of the non-profit organisation during the year and up to the date of this report are as follows:

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

### 4. Secretary

The non-profit organisation designated secretary is Mathaphelo Mosia.

### 5. Accounting Officer

Gasas Incorporation was the accounting officer for the year under review.

## Report of the Accounting Officer

---

### Report of the accounting officer to 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 2020 as agreed to by the members of Phakamani Young Minds Academy. The members have determined that I should perform the duties of an accounting officer as specified in section 62 of the Close Corporations Act, 1984. The annual financial statements set out on pages 7 to 15 are the responsibility of the member. No assurance is required by the 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.

I report, as required in terms of section 62(1) of the Close Corporations Act 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 annual financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act; and
- the accounting policies presented to us as having been applied in the preparation of the annual financial statements are appropriate.

**Gasa Incorporation**

**21 August 2021**



---

**John Uzwenkosi Mhlanga BAP (SA) 3839**  
**Director / Partner**  
**Business Accountant in Practice (SA)**

**11 Kayburne Avenue**  
**Randpark Ridge**  
**Johannesburg**  
**Gauteng**  
**2169**

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position

Figures in R

Notes

2020

2019

### Assets

#### Non-current assets

Property, plant and equipment	3	<u>544,506</u>	<u>394,985</u>
-------------------------------	---	----------------	----------------

#### Current assets

Other loans and receivables		-	4,818
-----------------------------	--	---	-------

Cash and cash equivalents	4	<u>391,531</u>	<u>6,606</u>
---------------------------	---	----------------	--------------

<b>Total current assets</b>		<b><u>391,531</u></b>	<b><u>11,424</u></b>
-----------------------------	--	-----------------------	----------------------

<b>Total assets</b>		<b><u>936,037</u></b>	<b><u>406,409</u></b>
---------------------	--	-----------------------	-----------------------

### Equity and liabilities

#### Equity

Accumulated surplus		<u>936,037</u>	<u>406,409</u>
---------------------	--	----------------	----------------

<b>Total equity and liabilities</b>		<b><u>936,037</u></b>	<b><u>406,409</u></b>
-------------------------------------	--	-----------------------	-----------------------

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Comprehensive Income

Figures in R	Notes	2020	2019
Revenue	5	844,277	425,213
Other income	6	488,027	437,247
Administrative expenses	8	(84,095)	(16,802)
Other expenses	9	(718,581)	(601,697)
<b>Surplus from operating activities</b>	10	<b>529,628</b>	<b>243,961</b>
<b>Surplus for the year</b>		<b>529,628</b>	<b>243,961</b>

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
<b>Balance at 1 March 2018</b>	162,448	162,448
<b>Changes in equity</b>		
Surplus for the year	243,961	243,961
Total comprehensive income for the year	243,961	243,961
<b>Balance at 31 December 2019</b>	<b>406,409</b>	<b>406,409</b>
<b>Balance at 1 January 2020</b>	406,409	406,409
<b>Changes in equity</b>		
Surplus for the year	529,628	529,628
Total comprehensive income for the year	529,628	529,628
<b>Balance at 31 December 2020</b>	<b>936,037</b>	<b>936,037</b>

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Cash Flows

Figures in R

Note 2020 2019

### Cash flows (used in) / from operations

<b>Surplus for the year</b>		<b>529,628</b>	<b>243,961</b>
<b>Adjustments to reconcile surplus</b>			
Adjustments for increase in trade accounts receivable		(4,818)	-
Adjustments for depreciation and amortisation expense		76,824	38,930
Adjustments for impairment losses and reversal of impairment losses recognised in surplus or deficit		4,818	-
In-Kind Donations received		(488,027)	(437,247)
In-Kind Expenses		262,478	148,957
<b>Total adjustments to reconcile surplus</b>		<b>(148,725)</b>	<b>(249,360)</b>
<b>Net cash flows from / (used in) operations</b>		<b>380,904</b>	<b>(5,399)</b>
<b>Cash flows from / (used in) investing activities</b>			
Purchase of property, plant and equipment		(796)	(4,500)
Purchase of other financial assets		4,818	-
<b>Cash flows from / (used in) investing activities</b>		<b>4,022</b>	<b>(4,500)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>384,925</b>	<b>(9,899)</b>
Cash and cash equivalents at beginning of the year		6,606	16,505
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>391,531</b>	<b>6,606</b>

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

---

### 1. General information

Phakamani Young Minds Academy ('the non-profit organisation') Educational Services.

The non-profit organisation is incorporated as a Non-Profit Organisation and domiciled in South Africa. The address of its registered office is 69/3137 Draco Street, Freedom Park, Devland Ext 27, Gauteng, 1811.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of Phakamani Young Minds Academy have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Non-profit organisations Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit organisation's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the members.

The non-profit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Premises	5%
Plant & equipment	12.50%
Fixtures and fittings	16.67%
Office equipment	12.50%
Computer equipment	33.33%

#### 2.2 Revenue

Revenue consists of donations received from corporate companies, government, NPOs and contributions received from the community.

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in R

### 3. Property, plant and equipment

Balances at year end and movements for the year

	Premises	Plant & equipment	Fixtures and fittings	Office equipment	Computer equipment	Total
<b>Reconciliation for the year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>						
At cost	223,000	7,249	72,490	101,800	52,216	<b>456,755</b>
Accumulated depreciation	(5,575)	(1,469)	(17,065)	(19,279)	(18,382)	<b>(61,770)</b>
<b>Net book value</b>	<b>217,425</b>	<b>5,780</b>	<b>55,425</b>	<b>82,521</b>	<b>33,834</b>	<b>394,985</b>
<b>Movements for the year ended 31 December 2020</b>						
Additions from acquisitions	50,000	-	94,239	12,156	69,950	<b>226,345</b>
Depreciation	(11,567)	(906)	(15,862)	(13,163)	(35,326)	<b>(76,824)</b>
<b>Property, plant and equipment at the end of the year</b>	<b>255,858</b>	<b>4,874</b>	<b>133,802</b>	<b>81,514</b>	<b>68,458</b>	<b>544,506</b>
<b>Closing balance at 31 December 2020</b>						
At cost	273,000	7,249	166,729	113,956	122,166	<b>683,100</b>
Accumulated depreciation	(17,142)	(2,375)	(32,927)	(32,442)	(53,708)	<b>(138,594)</b>
<b>Net book value</b>	<b>255,858</b>	<b>4,874</b>	<b>133,802</b>	<b>81,514</b>	<b>68,458</b>	<b>544,506</b>
<b>Reconciliation for the year ended 31 December 2019</b>						
<b>Balance at 1 March 2018</b>						
At cost	-	3,250	38,996	100,000	21,719	<b>163,965</b>
Accumulated depreciation	-	(813)	(7,829)	(6,667)	(7,531)	<b>(22,840)</b>
<b>Net book value</b>	<b>-</b>	<b>2,437</b>	<b>31,167</b>	<b>93,333</b>	<b>14,188</b>	<b>141,125</b>

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in R

### *Property, plant and equipment continued...*

#### **Movements for the year ended 31 December 2019**

Additions from acquisitions	223,000	3,999	33,494	1,801	30,496	<b>292,790</b>
Depreciation	(5,575)	(656)	(9,236)	(12,613)	(10,850)	<b>(38,930)</b>
<b>Property, plant and equipment at the end of the year</b>	<b>217,425</b>	<b>5,780</b>	<b>55,425</b>	<b>82,521</b>	<b>33,834</b>	<b>394,985</b>

#### **Closing balance at 31 December 2019**

At cost	223,000	7,249	72,490	101,800	52,216	<b>456,755</b>
Accumulated depreciation	(5,575)	(1,469)	(17,065)	(19,279)	(18,382)	<b>(61,770)</b>
<b>Net book value</b>	<b>217,425</b>	<b>5,780</b>	<b>55,425</b>	<b>82,521</b>	<b>33,834</b>	<b>394,985</b>

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in R

2020

2019

### 4. Cash and cash equivalents

#### 4.1 Cash and cash equivalents included in current assets:

##### Cash

Balances with banks

391,531

6,606

#### 4.2 Detail of cash and cash equivalent balances

##### Bank balances

Bank balances

391,531

6,606

### 5. Revenue

#### Revenue comprises:

Donations received - Corporate

137,773

80,000

Contributions received

171,842

295,213

Donations received - NPO

429,921

50,000

Donations received - Government

104,741

-

**Total revenue**

**844,277**

**425,213**

### 6. Other income

#### Other income comprises:

In-Kind Donations received

488,027

437,247

### 7. Depreciation and amortisation

#### Depreciation and amortisation comprises:

Property, plant and equipment

76,824

38,930

### 8. Administrative expenses

#### Administrative expenses comprise:

Accounting fees

27,261

-

Bank charges

5,507

5,993

Computer expenses

10,427

160

Telecommunication

40,900

10,649

**Total administrative expenses**

**84,095**

**16,802**

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in R

2020

2019

### 9. Other expenses

#### Other expenses comprise:

Administrative expenses	659	680
Advertising	13,628	431
Bad debts	4,818	-
Consulting fees	68,000	-
Consumables	300	1,300
Depreciation	76,824	38,930
Employee benefit expenses	243,180	179,580
Entertainment	379	1,542
Event expenses	-	3,500
Legal expense	158,850	18,480
Matric appreciation expenses	2,722	-
Printing and stationery	13,556	18,835
Refreshments	1,849	2,603
Refreshments - Matric Day	707	660
Rent expense	12,100	15,300
Repairs and maintenance	13,560	19,780
Staff welfare	200	-
Training	3,122	130,654
Transport	17,263	18,781
Tutors appreciation	6,119	-
Tutors` stipend	80,745	150,641
<b>Total other expenses</b>	<b>718,581</b>	<b>601,697</b>

### 10. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items

#### Other operating expenses

Property plant and equipment - depreciation	76,824	38,930
- rent expense	12,100	15,300

### 11. Salaries

#### Salaries comprise:

Salaries & wages	243,180	179,580
------------------	---------	---------

# Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Detailed Income Statement

Figures in R

	Notes	2020	2019
<b>Revenue</b>	5		
Donations & Contributions received		844,277	425,213
<b>Other income</b>	6		
In-Kind Donations received		488,027	437,247
<b>Administrative expenses</b>	8		
Accounting fees		(27,261)	-
Bank charges		(5,507)	(5,993)
Computer expenses		(10,427)	(160)
Telecommunication		(40,900)	(10,649)
		<b>(84,095)</b>	<b>(16,802)</b>
<b>Other expenses</b>	9		
Administrative expenses		(659)	(680)
Advertising		(13,628)	(431)
Bad debts		(4,818)	-
Consulting fees		(68,000)	-
Consumables		(300)	(1,300)
Depreciation - property, plant and equipment		(76,824)	(38,930)
Employee costs - salaries		(243,180)	(179,580)
Entertainment		(379)	(1,542)
Event expenses		-	(3,500)
Legal expense		(158,850)	(18,480)
Matric appreciation expenses		(2,722)	-
Printing and stationery		(13,556)	(18,835)
Refreshments		(1,849)	(2,603)
Refreshments - Matric Day		(707)	(660)
Rent expense		(12,100)	(15,300)
Repairs and maintenance		(13,560)	(19,780)
Staff welfare		(200)	-
Training		(3,122)	(130,654)
Transport		(17,263)	(18,781)
Tutors appreciation		(6,119)	-
Tutors` stipend		(80,745)	(150,641)
		<b>(718,581)</b>	<b>(601,697)</b>
<b>Surplus from operating activities</b>	10	<b>529,628</b>	<b>243,961</b>
<b>Surplus for the year</b>		<b>529,628</b>	<b>243,961</b>