

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements

for the year ended 31 December 2022

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2022

Index

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

General Information	2
Report of the Compiler	3
Management's Responsibilities and Approval	4
Management's Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 13
Supplementary information	
Detailed Income Statement	14
Income Tax Computation	15

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2022

General Information

Country of Incorporation and Domicile	South Africa
Nature of business and principal activities	The NPO provides Educational Services
Management	Bokang Mokoena (Secretary) Elaine Porter (Resigned 18 March 2023) Bertha Phohlela (Resigned 18 March 2023) Daniel Katanda (Board Chairperson) Simnikiwe Thutha (Resigned 18 March 2023)
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
PAYE Registration Number	7880808045
PBO Registration Number	93005981
Compilers	Gasa Incorporation 11 Kayburne Avenue Randpark Ridge Johannesburg Gauteng 2169
Company Secretary	Bokang Mokoena

Report of the Compiler

To the Management of Phakamani Young Minds Academy

We have compiled the accompanying annual financial statements of Phakamani Young Minds Academy based on information you have provided. These annual financial statements comprise the statement of financial position of Phakamani Young Minds Academy as at 31 December 2022, the statement of comprehensive income, the statement of changes in reserves 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 on the basis of accounting described in Note 2 to the financial statements. 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 basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act of South Africa.

Gasa Incorporation

18 March 2023



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)

Annual Financial Statements for the year ended 31 December 2022

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 in the presentation of 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 3.

The annual financial statements as set out on pages 6 to 13 were approved by the management committee on 18 March 2023 and were signed on its behalf by:

Bokang Mokoena

Bokang Mokoena



Daniel Katanda

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Annual Financial Statements for the year ended 31 December 2022

Management's Report

The management committee present their report for the year ended 31 December 2022.

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 (Secretary)

Elaine Porter (Resigned 18 March 2023)

Bertha Phohlela (Resigned 18 March 2023)

Daniel Katanda (Board Chairperson)

Simnikiwe Thutha (Resigned 18 March 2023)

6. Secretary

The organisation's designated secretary is Bokang Mokoena.

7. Compilers

Gasa Incorporation were the compilers for the year under review.

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	673,072	827,452
Current Assets			
Loans receivable	4	15,000	-
Cash and cash equivalents	5	476,980	512,688
		491,980	512,688
Total Assets		1,165,052	1,340,140
Reserves and Liabilities			
Reserves			
Retained earnings		1,165,052	1,339,733
Current Liabilities			
Bank overdraft	5	-	407
Total Reserves and Liabilities		1,165,052	1,340,140

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income

Figures in R	Notes	2022	2021
Revenue	6	995,904	1,172,941
Other income	7	24,577	253,572
Operating costs		(1,195,162)	(1,022,817)
Operating (deficit) / surplus		(174,681)	403,696
(Deficit) / surplus for the year		(174,681)	403,696

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 January 2021	936,037	936,037
Total comprehensive income for the year		
Surplus for the year	403,696	403,696
Total comprehensive income for the year	<u>403,696</u>	<u>403,696</u>
Balance at 31 December 2021	<u>1,339,733</u>	<u>1,339,733</u>
Balance at 1 January 2022	1,339,733	1,339,733
Total comprehensive income for the year		
Deficit for the year	(174,681)	(174,681)
Total comprehensive income for the year	<u>(174,681)</u>	<u>(174,681)</u>
Balance at 31 December 2022	<u>1,165,052</u>	<u>1,165,052</u>

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

Figures in R	Note	2022	2021
Cash flows (used in) / from operating activities			
(Deficit) / surplus for the year		(174,681)	403,696
<i>Adjustments for:</i>			
Depreciation of tangible assets		158,182	115,771
Investment income		-	(7,623)
In-Kind Donations Received		-	(245,949)
Operating cash flow before working capital changes		(16,499)	265,895
<i>Working capital changes</i>			
Increase in short term loans		(15,000)	-
Net cash flows (used in) / from operations		(31,499)	265,895
Investment income		-	7,623
Net cash flows (used in) / from operating activities		(31,499)	273,518
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(3,802)	(152,768)
Net cash flows used in investing activities		(3,802)	(152,768)
Net (decrease) / increase in cash and cash equivalents		(35,301)	120,750
Cash and cash equivalents at beginning of the year		512,281	391,531
Cash and cash equivalents at end of the year	5	476,980	512,281

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

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 accounting policies as 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 consists of donations received from corporate companies, government, NPOs, and contributions received from the community. Revenue is recognised on receipt of the donation.

2.2 Income taxes

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act

2.3 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:

Furniture and fittings	16.67%
Property (Mobile classes and offices)	5.00%
Office equipment	12.50%
Computer equipment	33.33%
Equipment	12.50%

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.

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Accounting Policies

Summary of significant accounting policies continued...

2.5 Employee benefit obligations

2.5.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R 2022 2021

3. Property, plant and equipment

	Cost	Accumulated depreciation	2022 Carrying value	Cost	Accumulated depreciation	2021 Carrying value
<i>Owned assets</i>						
Furniture and fittings	176,319	90,654	85,665	176,319	61,268	115,051
Property (Mobile classes and offices)	584,267	61,088	523,179	584,267	31,875	552,392
Office equipment	120,805	62,467	58,338	117,003	47,560	69,443
Computer equipment	186,106	172,143	13,963	186,106	110,107	75,999
Equipment	18,121	26,194	(8,073)	18,121	3,554	14,567
	1,085,618	412,546	673,072	1,081,816	254,364	827,452

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	115,051	-	-	(29,386)	85,665
Property (Mobile classes and offices)	552,392	-	-	(29,213)	523,179
Office equipment	69,443	3,802	-	(14,907)	58,338
Computer equipment	75,999	-	-	(62,036)	13,963
Equipment	14,567	-	-	(22,640)	(8,073)
	827,452	3,802	-	(158,182)	673,072

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	133,802	9,590	-	(28,341)	115,051
Property (Mobile classes and offices)	255,858	311,267	-	(14,733)	552,392
Office equipment	81,514	3,047	-	(15,118)	69,443
Computer equipment	68,458	63,940	-	(56,399)	75,999
Equipment	4,874	10,873	-	(1,180)	14,567
	544,506	398,717	-	(115,771)	827,452

4. Loans receivable

Short term loans receivable 15,000 -

Included in loans receivable are amounts owing by directors and by companies controlled by directors as follows:

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R	2022	2021
5. Cash and cash equivalents		
Favourable cash balances		
Bank - FNB Current Account	831	-
Bank - FNB 7 Day Notice Investment Account	476,149	512,688
	<u>476,980</u>	<u>512,688</u>
Overdraft		
Bank overdraft	-	407
	<u>-</u>	<u>407</u>
Current assets	476,980	512,688
Current liabilities	-	(407)
	<u>476,980</u>	<u>512,281</u>
6. Revenue		
An analysis of revenue is as follows:		
Donations received - Corporate	449,715	213,244
Donations received - Government	-	22,230
Contribution received	201,342	250,684
Donations received - NPO	255,106	686,783
Individual Donors	89,741	-
	<u>995,904</u>	<u>1,172,941</u>
7. Other Income		
In-Kind Donation Received	-	245,949
Interest received	22,261	-
Other Income - Special Items	2,316	-
	<u>24,577</u>	<u>245,949</u>
8. Surplus from operating activities		
The following items have been recognised as expenses (income) in determining profit before tax:		
Depreciation - Tangible assets	158,181	115,771
	<u>158,181</u>	<u>115,771</u>
9. 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.		
10. Approval of annual financial statements		
These financial statements were approved by the board of directors and authorised for issue on 18 March 2023.		

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Detailed Income Statement

Figures in R	2022	2021
Gross Revenue		
Donations received - Corporate	449,715	213,244
Contribution received	201,342	250,684
Donations received - Government	-	22,230
Donations received - NPO	255,106	686,783
Individual Donors	89,741	-
	<u>995,904</u>	<u>1,172,941</u>
Other Income		
In-Kind Donation Received	-	245,949
Interest Received	22,261	7,623
Other Income - Special Items	2,316	-
	<u>24,577</u>	<u>253,572</u>
	<u>1,020,481</u>	<u>1,426,513</u>
Expenditure		
Accounting fees	12,746	32,983
Administrative expenses	68,534	44,665
Alumni event	26,448	28,474
Annual Awards	2,701	-
Bank charges	4,544	8,831
Classroom chairs	3,735	-
Depreciation - Tangible assets	158,181	115,771
Direct programme costs	481,432	509,368
Extra-Murals	665	-
General expenses	10,950	-
Healty and safety	22,895	6,240
Learner - T-shirts	7,067	-
Learner annual trip	1,350	-
Marketing expenses	27,218	16,086
Matric application fees	2,020	1,920
Matric candlelight	583	12,451
Matric extra classes	4,260	-
Matric team building	2,514	-
Parents support	1,500	-
Programme admin stipend	41,850	-
Property related costs	32,487	25,955
Recruitment	260	1,272
Relocation admin costs	112	-
Salaries	246,794	188,786
SAMEA Membership	-	100
Sanitary pads drive	600	-
Staff appreciation	5,941	2,895
Travel and entertainment	27,775	27,020
	<u>1,195,162</u>	<u>1,022,817</u>
(Deficit) / surplus for the year	<u>(174,681)</u>	<u>403,696</u>

Phakamani Young Minds Academy

(Registration Number 164-855 NPO)

Financial Statements for the year ended 31 December 2022

Income Tax Computation

Figures in R	Add Back	Deduct	2022	2021
(Deficit) / surplus before tax			(174,681)	403,696
Computed income / (loss) for the year			<u>(174,681)</u>	<u>403,696</u>