

SIBIKWA COMMUNITY PROJECT NPC

ANNUAL FINANCIAL STATEMENTS

YEAR END: **31 DECEMBER 2023**

REGISTRATION NUMBER:

1990/003433/08

REGISTERED ADDRESS:

13 LIVERPOOL ROAD, BENONI, 1501

ADDRESS OF PLACE OF BUSINESS:

13 LIVERPOOL ROAD, BENONI, 1501

COUNTRY OF INCORPORATION:

SOUTH AFRICA

PRESENTATION CURRENCY

SOUTH AFRICAN RANDS ("R")

SIBIKWA COMMUNITY PROJECT NPC

ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2023

CONTENTS

THE FOLLOWING REPORTS AND STATEMENTS ARE PRESENTED:	<u>Pages</u>
FINANCIAL HIGHLIGHTS	3
DIRECTORS' RESPONSIBILITY AND APPROVAL FOR THE ANNUAL FINANCIAL STATEMENTS	4
REPORT OF THE INDEPENDENT AUDITORS	5
DIRECTORS REPORT	6
BALANCE SHEET	7
INCOME STATEMENT	8
STATEMENT OF CHANGES IN EQUITY	9
CASH FLOW STATEMENT & NOTES THERETO	10 - 11
ACCOUNTING POLICIES	12 - 13
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	14 - 16

Revenue

8 497 948

Net profit (loss) before taxation

(1 584 649)

Cash flow from operations

(1 523 143)

Total assets

1 473 480

Shareholder's equity

1 341 780

SIBIKWA COMMUNITY PROJECT NPC

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Company's directors are responsible for the preparation and fair presentation of the annual financial statements, comprising: the directors' report; the balance sheet at the year end date; the income statements; the statements of changes in equity; cash flow statements for the year then ended; a summary of significant accounting policies and the notes to the financial statements in accordance with Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of any supplementary schedules included in these financial statements.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the businesses will not be a going concern in the year ahead.


The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework and legislation.


Approval of the annual financial statements

The annual financial statements were approved by the Board of Directors and are signed on their behalf by:

6 April 2024
.....
Date of signing


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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBER'S OF SIBIKWA COMMUNITY PROJECT NPC
FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the financial statements

We have reviewed the annual financial statements of the abovementioned company that comprise the statement of financial position as at the abovementioned year end and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on the foregoing pages.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements. A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded. Except for the effects of any adjustment which might have been necessary, had it been possible for us to extend our examination of receipts, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects the financial position of the abovementioned company as at the abovementioned year end and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act of South Africa.



25/04/2024



Registered Chartered Accountants & Auditors
Practice number: 953326, SAICA Registration number: 04870372
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SIBIKWA COMMUNITY PROJECT NPC

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

The directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended.

NATURE OF BUSINESS

The Company was incorporated in 1990 under the laws of the Republic of South Africa. The principal activities are the provision of arts education, vocational training, promotion of theatre and performance arts. These activities are conducted primarily in South Africa.

GENERAL REVIEW

The state of the company's affairs is adequately represented in the attached financial statements

PROPERTY, PLANT & EQUIPMENT

Details of the company's Property, plant & equipment are reflected in Note 1 of the explanatory notes to the annual financial statements. There was no major change in the nature nor in the policy relating in respect of their use.

DIRECTORATE

There were no changes to the directorate of the company for the year.
The directorate of the company is reflected as follows at year end.

- Mr. PS Ndaba
- Ms. P Klotz
- Ms. MN Kekana
- Mrs. PJ Grayman
- Mr. HME Edmonds
- Mr. ZM Gumede
- Ms. CE Green

SECRETARIAT

The company has no appointed secretary.

EXTERNAL AUDITORS

Auditpro Chartered Accountants will continue in office in accordance with the Companies Act of South Africa.

POST BALANCE SHEET EVENTS

No material events or circumstances have occurred between the close of the financial year and the date of this report.


.....
Chairman

6 April 2024
.....
Date of signing

SIBIKWA COMMUNITY PROJECT NPC

BALANCE SHEET AT 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>	<u>Notes</u>
ASSETS			
NON-CURRENT ASSETS			
Plant & equipment	197 881	274 488	1
	197 881	274 488	
CURRENT ASSETS			
Cash & cash equivalents	1 236 057	2 759 200	2
Accounts receivable	39 542	-	
	1 275 599	2 759 200	
TOTAL ASSETS	R 1 473 480	R 3 033 688	
EQUITY AND LIABILITIES			
RESERVES			
Retained surplus/(Accumulated deficit)	1 341 780	2 926 429	
TOTAL EQUITY	1 341 780	2 926 429	
CURRENT LIABILITIES			
Accounts payable	131 700	107 259	
	131 700	107 259	
TOTAL LIABILITIES	131 700	107 259	
TOTAL EQUITY AND LIABILITIES	R 1 473 480	R 3 033 688	

SIBIKWA COMMUNITY PROJECT NPC

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>	<u>Notes</u>
REVENUE			
Donations, Grants And Other Income	8 497 948	6 717 554	
	8 497 948	6 717 554	
EXPENDITURE			
Project expenses	6 567 480	4 924 130	
Directors emoluments	788 040	486 000	3
Auditor's remuneration	47 600	23 800	
Depreciation/Impairment	76 607	72 971	
Other expenses	2 688 514	2 544 002	4
	10 168 241	8 050 903	
OPERATING SURPLUS (DEFICIT)	(1 670 293)	(1 333 349)	
Interest received	85 644	109 551	
Interest paid	-	-	
NET SURPLUS (DEFICIT) BEFORE TAXATION	(1 584 649)	(1 223 798)	
TAXATION	-	-	5
NET SURPLUS (DEFICIT) FOR THE YEAR	R (1 584 649)	R (1 223 798)	

SIBIKWA COMMUNITY PROJECT NPC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained income/ (Accumulated loss)	Total
BALANCE - 31 DECEMBER 2021	4 150 227	4 150 227
NET SURPLUS / (DEFICIT) FOR THE YEAR	(1 223 798)	(1 223 798)
BALANCE - 31 DECEMBER 2022	2 926 429	2 926 429
NET SURPLUS / (DEFICIT) FOR THE YEAR	(1 584 649)	(1 584 649)
BALANCE - 31 DECEMBER 2023	R 1 341 780	R 1 341 780

SIBIKWA COMMUNITY PROJECT NPC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>	<u>Notes</u>
CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES			
Cash generated from (utilised by) operations	(1 608 787)	(1 219 953)	
Interest received	85 644	109 551	
Interest paid	-	-	
Taxation paid	-	-	5
	<u>(1 523 143)</u>	<u>(1 110 402)</u>	
CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES			
Investment to expand operations			
Additions to plant & equipment	-	(340 496)	
	<u>-</u>	<u>(340 496)</u>	
CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES			
Secured liabilities raised (repaid)	-	-	
Unsecured liabilities raised (repaid)	-	-	
	<u>-</u>	<u>-</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1 523 143)	(1 450 898)	
CASH AND CASH EQUIVALENTS -31 DECEMBER 2022	2 759 200	4 210 098	
	<u>2 759 200</u>	<u>4 210 098</u>	
CASH AND CASH EQUIVALENTS -31 DECEMBER 2023	<u>R 1 236 057</u>	<u>R 2 759 200</u>	2

SIBIKWA COMMUNITY PROJECT NPC

NOTES TO THE CASH FLOW STATEMENT - 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
1. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM (UTILISED BY) OPERATIONS		
Operating profit	(1 670 293)	(1 333 349)
Adjustments for:		
- Depreciation/Impairment	76 607	72 971
Operating profit before working capital changes	<u>(1 593 686)</u>	<u>(1 260 378)</u>
Working capital changes		
- Decrease (increase) in inventory	-	-
- Decrease (increase) in accounts receivable	(39 542)	-
- Increase (decrease) in accounts payable	24 441	40 425
	<u>(15 101)</u>	<u>40 425</u>
Cash generated from (utilised by) operations	<u>R (1 608 787)</u>	<u>R (1 219 953)</u>
 2. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of cash on hand and balances with banks		
Cash & cash equivalents	1 236 057	2 759 200
Bank overdraft	-	-
	<u>1 236 057</u>	<u>2 759 200</u>
	<u>R 1 236 057</u>	<u>R 2 759 200</u>
 5. TAXATION PAID		
Amount unpaid prior year	-	-
Current taxation charged to income statement	-	-
Amount unpaid end of the year	-	-
	<u>-</u>	<u>-</u>
	<u>R -</u>	<u>R -</u>

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice and the requirements of the South African Companies Act.

BASIS OF PREPARATION

The annual financial statements are prepared in South African rands modified cash basis. Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation as notes. Elements are primarily recognised when they arise from cash inflows or outflows. The preparation of financial statements in conformity with Generally Accepted Accounting Practice requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

REVENUE RECOGNITION**Goods sold and services rendered**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at balance sheet date. The stage of completion is assessed by reference to surveys of the work performed. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods as well as continuing management involvement with goods to a degree usually associated with ownership. Where the company acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transaction, is included in revenue.

Interest

Interest is recognised on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

FINANCIAL ASSETS

The principal financial assets are investments and loans, accounts receivable, short-term loans, funds on call and deposit, and bank and cash balances:

Accounts receivable

Trade and other receivables are stated at their amortised cost less impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Funds on call and deposit, and bank and cash balances

Cash on hand is measured at fair value.

Deposits held on call, and investments in money market instruments, are classified as loans and receivables and carried at amortised cost.

FINANCIAL LIABILITIES

The principal financial liabilities are interest-bearing debt, accounts payable and bank borrowings.

Interest-bearing debt

Interest-bearing debt, including finance lease obligations, is initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing debt is recognised at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective-interest basis.

Bank overdraft

Bank borrowings, consisting of interest-bearing bank loans and overdrafts, are recorded at the proceeds received, net of direct issue costs. Finance costs, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Accounts payable

Trade and other payables are stated at amortised cost. Due to the short-term nature of the company's trade and other payables, the cost approximates its fair value.

PROVISION FOR PROJECT EXPENSES

Due to the uncertainty around collectability and retention of donor funds, no provisions for future project expenditure is realised.

EQUITY INSTRUMENTS

Equity instruments are recorded at the proceeds received, net of direct issue costs.

INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined according to the first-in, first-out method.

INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and for capital appreciation, is held as a long-term investment and is recognised as follows:

The fair value model is used. The asset is recognised as follows:

Initially at cost

Subsequently, the asset is revalued

OWNER OCCUPIED PROPERTY

Owner occupied property which is property held for use in the production or supply of goods or services or for administrative purposes is recognised as follows:

The revaluation value model is used. The asset is recognised as follows:

Initially at cost

Subsequently, the asset is revalued

Land is considered to have an indefinite useful life and is therefore not depreciated

Buildings are depreciated over their useful lives at 2% using the straight line method

PROPERTY, PLANT & EQUIPMENT

The cost model is used to account for property, plant & equipment. For impairment purposes the fair value less costs to sell is used. The company depreciates its fixed assets over their expected useful lives on the straight line method at the following annual rates after taking residual values into account:

Motor Vehicles	20%
Office equipment	20%
Other fixed assets	20%
Generator	20%

SIBIKWA COMMUNITY PROJECT NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
2. CASH & CASH EQUIVALENTS		
Current accounts	636 592	2 127 432
Savings accounts	599 465	631 768
	R 1 236 057	R 2 759 200

3. DIRECTORS EMOLUMENTS

Amounts paid to directors are for executive management salaries.

CE Green - Salaries	426 562	-
P Klotz - Consulting Fees	180 739	243 000
SP Ndaba - Consulting Fees	180 739	243 000
	R 788 040	R 486 000

5. TAXATION

No provision for taxation has been made as the trust is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act No58 of 1962.

6. RELATED PARTY TRANSACTIONS

There has been no significant changes in related-party relationships since the previous year.

The sales to and purchases from related parties of goods and services are made at arm's length prices.

Unless otherwise indicated below, outstanding balances at the year-end are unsecured and interest free with no fixed repayment terms. There have been no guarantees provided or received for any related party receivables or payables. No impairment of amounts owed by related parties has been made for the year, nor is any impairment deemed necessary. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

SIBIKWA COMMUNITY PROJECT NPC

SUPPLEMENTARY SCHEDULES - 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
4. OTHER EXPENSES		
Accounting Fees	96 000	96 000
Administration Fees	6 150	-
Bank Charges	35 459	30 526
Cleaning	16 274	18 841
Cloud Backup	6 923	5 834
Computer Expenses	67 019	69 421
Computer Equipment & Server	107 886	-
Courier & Postage	144	60
Consumables	1 716	710
Donations	-	3 000
Drama Exam Fees	-	14 160
Entertainment Expenses	4 356	3 123
Editorial Monitoring	9 638	6 531
Facilitators - Adult Classes	-	10 200
General Expense	1 117	9 635
Insurance	190 129	165 622
Marketing & Publicity	-	10 406
Motor Vehicle Expenses	95 741	74 766
Printing & Stationery	53 351	46 539
Repairs & Maintenance	186 322	6 235
Human resource costs	1 193 046	1 377 126
Personal protection Equipment	-	1 564
Security	275 400	263 857
Sibikwa Events	-	23 173
Staff Welfare	19 622	18 475
Subscriptions	3 890	-
Telephone & Fax	27 743	33 615
Training	861	-
Travel	1 862	2 434
Utilities	244 262	194 434
Uniforms	32 470	44 783
Website Development & Retainer	11 133	9 094
Workshops	-	3 838
	R 2 688 514	R 2 544 002

SIBIKWA COMMUNITY PROJECT NPC

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

1 PLANT & EQUIPMENT

					<u>2023</u>	<u>2022</u>
	Generator	Motor Vehicles	Office equipment	Other fixed assets	Current year Total	Prior year Total
Carrying value beginning of year		-	10 647	120 953	274 488	6 963
Cost	178 610	1 069 021	1 541 788	833 071	3 622 490	3 281 994
Accumulated depreciation	35 722	1 069 021	1 531 141	712 118	3 348 002	3 275 031
Additions	-	-	-	-	-	340 496
Disposed	-	-	-	-	-	-
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation/Impairment	35 722	-	10 647	30 238	76 607	72 971
Cost	178 610	1 069 021	1 541 788	833 071	3 622 490	3 622 490
Accumulated depreciation	71 444	1 069 021	1 541 788	742 356	3 424 609	3 348 002
Carrying value end of year	R 107 166	R -	R -	R 90 715	R 197 881	R 274 488