

**Umhlatuzana Education Fund NPC
(Registration Number 2022/383364/08)
Annual Financial Statements
for the year ended 31 December 2022**

Audited Financial Statements

Prepared by: Internally compiled
Audited by : Strategic Audit Techniques Inc
Professional designation : CA (SA)

“CREATING BUSINESS SUCCESS”

Umhlatuzana Education Fund NPC

(Registration Number 2022/383364/08)

Annual Financial Statements for the year ended 31 December 2022

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Umhlatuzana Education Fund NPC

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2022/383364/08
Nature of Business and Principal Activities	The non-profit company provides educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
Directors	Laurence JE Rae Deon Delport Dorina Bowes Thomas Konrad Venketas A Naidoo Nhlanhla L Mtungwa
Registered Office	193 Peter Mokaba Road Morningside Durban Kwa-Zulu Natal 4001
Business Address	193 Peter Mokaba Road Morningside Durban Kwa-Zulu Natal 4001
Postal Address	193 Peter Mokaba Road Morningside Durban Kwa-Zulu Natal 4001
Bankers	FNB
Tax Number	923697825
Preparer	Strategic Audit Techniques Inc Office 5B Colony Centre 50 Old Main Road Hillcrest 3650

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Directors' Responsibilities and Approval

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

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

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

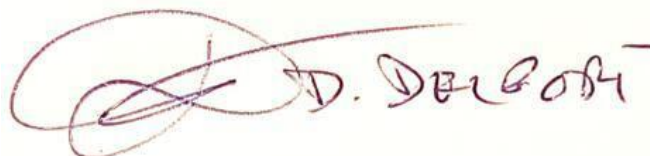
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, Strategic Audit Techniques Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 7 to 8.

The annual financial statements set out on pages 9 to 15, and the supplementary information set out on page 16 which have been prepared on the going concern basis, were approved by the directors and were signed on 22 March 2023 on their behalf by:



Laurence JE Rae



Deon Delport

Umhlatuzana Education Fund NPC

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Directors' Responsibilities and Approval



Dorina Bowes



Thomas Konrad



Venketas A Naidoo



Nhlanhla L Mtungwa

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Directors' Report

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

1. Review of activities

Main business and operations

The non-profit company provides educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit company 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.

These accounts have been prepared on a cash basis, but we indicate how The Umhlatuzana Education Fund NPC accounts would differ if calculated on an accrual basis.

In 2022, The Rotary Durb of DURban Umhlatuzana together with the Rotary Club of Los Alamos, New Mexico, USA, successfully applied for a Rotary Foundation Global Grant for a total of 35 806.00 USD (equivalent to R 608 097 using the exchange rate of 30 December 2022). These funds accrued when the grant was formally approved by the Rotary Foundation on 20 October 2022.

Of this account, consisting of various pledges R 41 600 is already included here arising from the contributions of The Rotary Club of Durban Umhlatuzana and the Pinetown, which were paid into The Umhlatuzana Education Fund Global Grant account.

The rest has been paid into a USD account registered to The Rotary Club Foundation of the Rotary Club of Los Alamos, New Mexico, USA and will be transferred to The Umhlatuzana Educaiton Fund NPC accounts in 2023.

3. 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 directors 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 company.

4. Directors

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

Laurence JE Rae

Deon Delport

Dorina Bowes

Thomas Konrad

Venketas A Naidoo

Nhlanhla L Mtungwa

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Annual Financial Statements for the year ended 31 December 2022

Directors' Report

5. Independent Auditors

Strategic Audit Techniques Inc were the independent auditors for the year under review.

Independent Auditor's Report

To the Member of Umhlatuzana Education Fund NPC

Opinion

We have audited the financial statements of Umhlatuzana Education Fund NPC set out on pages 9 to 15, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Umhlatuzana Education Fund NPC as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the non-profit company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Umhlatuzana Education Fund NPC Financial Statements for the year ended 31 December 2022", which includes the Directors' Report, and the statement of Directors' Responsibilities and Approval, which we obtained prior to the date of this report, and the supplementary information set out on page 16. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the non-profit company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the non-profit company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the non-profit company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the non-profit company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the non-profit company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Strategic Audit Techniques Inc.

Per: Ashvir Dhuki

Director

Strategic Audit Techniques Inc

Chartered Accountants (SA)

Registered Auditors

Hillcrest

22 March 2023

Umhlatuzana Education Fund NPC

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Financial Statements for the year ended 31 December 2022

Statement of Financial Position

Figures in R	Notes	31 December 2022
Assets		
Current assets		
Cash and cash equivalents	4	<u>19,323</u>
Total assets		<u>19,323</u>
Equity and liabilities		
Equity		
Accumulated surplus		<u>6,956</u>
Liabilities		
Current liabilities		
Loan from group entity	5	500
Loan from director, manager or employee	6	<u>11,867</u>
Total current liabilities		<u>12,367</u>
Total equity and liabilities		<u>19,323</u>

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Statement of Comprehensive Income

Figures in R	Note	31 December 2022
Revenue	7	100,471
Administrative expenses		(1,066)
Other expenses		(92,449)
Surplus from operating activities		6,956
Surplus for the year		6,956

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Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Changes in equity		
Surplus for the year	6,956	6,956
Total comprehensive income for the year	6,956	6,956
Balance at 31 December 2022	6,956	6,956

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Statement of Cash Flows

Figures in R	Note	31 December 2022
Cash flows from operations		
Surplus for the year		6,956
Adjustments to reconcile surplus		
Adjustments for finance income		(607)
Net cash flows from operations		<u>6,349</u>
Interest received		607
Net cash flows from operating activities		<u>6,956</u>
Cash flows from financing activities		
Proceeds from other financial liabilities		12,367
Cash flows from financing activities		<u>12,367</u>
Net increase in cash and cash equivalents		<u>19,323</u>
Cash and cash equivalents at end of the year	4	<u>19,323</u>

Umhlatuzana Education Fund NPC

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1. General information

Umhlatuzana Education Fund NPC ('the non-profit company') provides educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.

The non-profit company is incorporated as a Non-Profit Company and domiciled in South Africa. The address of its registered office is 193 Peter Mokaba Road , Morningside , Durban, Kwa-Zulu Natal , 4001.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Umhlatuzana Education Fund NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

Financial instruments

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.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Notes to the Financial Statements

31 December
2022

Figures in R

4. Cash and cash equivalents

4.1 Cash and cash equivalents included in current assets:

Cash

Balances with banks

19,323

4.2 Net cash and cash equivalents

Current assets

19,323

4.3 Detail of cash and cash equivalent balances

Bank balances

FNB - 63002503068

842

Standard Bank - 254475515

505

FNB - 6301562908

17,976

Total

19,323

5. Loan from group entity

5.1 Loan from group entity comprises:

The Rotary Club of Durban Umhlatuzana

500

5.2 Additional disclosures

The above loan is unsecured, interest free and has no fixed term of repayment.

6. Loan from director, manager or employee

6.1 Loan from director, manager or employee comprises:

P Naidoo

11,867

6.2 Additional disclosures

The above loan is unsecured, interest free and has no fixed term of repayment.

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Notes to the Financial Statements

Figures in R	31 December 2022
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7. Revenue

Revenue comprises:

Donations Received	99,864
Interest received	607
Total revenue	<u>100,471</u>

In 2020 and 2021, funds specifically ear-marked to support the Mariannridge High School Mathematics Tutoring and Enrichment Project were donated to the Rotary Club of Durban Umhlatuzana. These donations included a Rotary District grant for 5 500 ZAR, a gift from Drs Yang Wu and Yong Zhu for 59 274 ZAR, a gift for 7 000 ZAR from the Thathiah family and various donations from members from the Rotary club of Durban Umhlatuzana (8 500 ZAR).

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Detailed Income Statement

Figures in R	Note	31 December 2022
Revenue	7	
Donations Received		99,864
Interest received		607
		<u>100,471</u>
Administrative expenses		
Bank charges		(1,066)
Other expenses		
Maths Project		(9,327)
Stipends		(4,500)
Transport		(65,297)
Tutor Incentives		(13,325)
		<u>(92,449)</u>
Surplus from operating activities		<u>6,956</u>
Surplus for the year		<u>6,956</u>