

UMHLATUZANA EDUCATION FUND NPC
(Registration Number 2022/383364/08)
Annual Financial Statements
for the year ended 31 December 2023

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 2023

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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 Delpont Dorina Bowes Thomas Konrad Venketas A Naidoo Nhlanhla L Mtungwa
REGISTERED OFFICE	10 Marigold Place Moseley Park Pinetown Kwa-Zulu Natal 3610
BUSINESS ADDRESS	10 Marigold Place Moseley Park Pinetown Kwa-Zulu Natal 3610
POSTAL ADDRESS	10 Marigold Place Moseley Park Pinetown Kwa-Zulu Natal 3610
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 member, 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 9.

The annual financial statements set out on pages 10 to 16, and the supplementary information set out on page 17 which have been prepared on the going concern basis, were approved by the directors and were signed on 12 January 2024 on their behalf by:

The external auditors are responsible for independently auditing and reporting on the non-profit company's annual financial statements. The annual financial statements have been examined by the non-profit company's external auditors and their unqualified audit report is presented on pages 7 to 9.

The annual financial statements set out on pages 10 to 16, and the supplementary information set out on page 17 which have been prepared on the going concern basis, were approved by the directors and were signed on 12 January 2024 on their behalf by:

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

Laurence JE Rae

Deon Delport

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 2023.

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.

In 2023, the Mariannridge High School Mathematics and Enrichment Project expanded to serve three grades (grades 8, 9 and 10) at Mariannridge Senior Secondary School (MSSS), as compared to two grades (grade 8 and 9) in 2022. On those Saturdays when both MSSS and the University of Kwa Zulu-Natal (UKZN) were in session, an average of about 30 UKZN tutors were transported from three pickup points in Durban to the school to deliver instruction to an average of about 200 high school learners. The tutors recruited were upper division (i.e., third-year honours and postgraduate) students in the STEM (science, technology, engineering and mathematics) subjects.

The project benefitted from a Rotary International Global Grant as part of a programme run by the Rotary Foundation and a grant from Atisa Securities as well as smaller donations from Kathleen Grzegorek and Jamil Tahir-Kheli, Ingrid Bucher and Martin Bucher. Thanks to this increased support compared to calendar year 2022, the project was also able to provide learners with textbooks and provide volunteer tutors with a modest stipend. The Rotary Global Grant programme sees itself as providing seed money to initiate projects that will become "sustainable" and be taken over by the community. A major goal and challenge will be to find recurrent funding so that this project can continue on a permanent basis.

In 2024, we plan to restructure the programme by expanding to neighbouring schools, selecting a cohort of the best and most highly motivated students from each school, keeping at least for the 2024 school year the same number of school learners as those served in 2023. The year 2024, will be a year of consolidation. We will also create two part-time staff positions in order to provide consistency to the programme and to strengthen communication with the parents and the participating schools.

As the 2023 financial statements show the funds raised in late 2022 and in 2023 will allow the project to continue through most of 2024, but a major challenge will be to secure recurrent funding for the rest of 2024 and for years to come.

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.

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DIRECTORS' REPORT

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

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 10 to 16, which comprise the statement of financial position as at 31 December 2023, 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 2023, 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 2023", 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 17. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Per: Ashvir Dhuki
Director
Strategic Audit Techniques Inc
Chartered Accountant (SA)
Registered Auditors

Hillcrest
12 January 2024

UMHLATUZANA EDUCATION FUND NPC

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Financial Statements for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	31 December 2023	31 December 2022
ASSETS			
Current assets			
Cash and cash equivalents	4	352,189	19,323
Total assets		352,189	19,323
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		352,189	6,956
Liabilities			
Current liabilities			
Loan from group entity	5	-	500
Loan from director, manager or employee	6	-	11,867
Total current liabilities		-	12,367
Total equity and liabilities		352,189	19,323

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STATEMENT OF COMPREHENSIVE INCOME

Figures in R	Note	31 December 2023	31 December 2022
Revenue	7	727,080	100,471
Administrative expenses		(15,520)	(1,066)
Other expenses		(366,327)	(92,449)
Surplus from operating activities		345,233	6,956
Surplus for the year		345,233	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
Balance at 1 January 2023	6,956	6,956
Changes in equity		
Surplus for the year	345,233	345,233
Total comprehensive income for the year	345,233	345,233
Balance at 31 December 2023	352,189	352,189

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STATEMENT OF CASH FLOWS

Figures in R	Note	31 December 2023	31 December 2022
Cash flows from operations			
Surplus for the year		345,233	6,956
Adjustments to reconcile surplus			
Adjustments for finance income		-	(607)
Net cash flows from operations		<u>345,233</u>	<u>6,349</u>
Interest received		-	607
Net cash flows from operating activities		<u>345,233</u>	<u>6,956</u>
Cash flows (used in) / from financing activities			
Proceeds from other financial liabilities		(12,367)	12,367
Cash flows (used in) / from financing activities		<u>(12,367)</u>	<u>12,367</u>
Net increase in cash and cash equivalents		<u>332,866</u>	<u>19,323</u>
Cash and cash equivalents at beginning of the year		19,323	-
Cash and cash equivalents at end of the year	4	<u>352,189</u>	<u>19,323</u>

UMHLATUZANA EDUCATION FUND NPC

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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 10 Marigold Place, Moseley Park, Pinetown, Kwa-Zulu Natal , 3610.

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. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

Figures in R	31 December 2023	31 December 2022
4. Cash and cash equivalents		
4.1 Cash and cash equivalents included in current assets:		
Cash		
Balances with banks	352,189	19,323
4.2 Net cash and cash equivalents		
Current assets	352,189	19,323
4.3 Detail of cash and cash equivalent balances		
Bank balances		
FNB - 63002503068	123,432	842
Standard Bank - 254475515	-	505
FNB - 6301562908	228,757	17,976
Total	352,189	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 was 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 was unsecured, interest free and has no fixed term of repayment.		

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NOTES TO THE FINANCIAL STATEMENTS

Figures in R	31 December 2023	31 December 2022
7. Revenue		
Revenue comprises:		
Donations Received	727,080	99,864
Interest received	-	607
Total revenue	727,080	100,471

In 2023, the UEF received donation of two sorts. 1 - Donations associated with a Rotary International Global Grant administered by the Rotary Foundation and 2- other donations. The Rotary Foundation requires global grant funds to be held in a separate bank account, and the FNB ****908 account serves this purpose. In 2023 the Rotary Club of Alamos, New Mexico, USA transferred the entirety of the funds received from the Rotary Foundation amounting of R 585, 727 to this UEF account. The donation from RCDU and the Rotary Club of Pinetown as part of this Global Grant were received in 2022 and are taken into account in the 2022 Annual Financial Statement. Under (2) there is: (a) a donation of R 126 000 from Atisa Securities; (b) two donations channeled through the Foundations of the Rotary Club of Los Alamos, New Mexico, USA, originating from Kathleen Grzegorek (250 USD) and Ingrid Bucher (350 USD) and; (c) a donation from Martin Bucher for R 5 000.

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DETAILED INCOME STATEMENT

Figures in R	Note	31 December 2023	31 December 2022
Revenue	7		
Donations - Atisa Securities		126,000	-
Donations - Los Alamos Rotary		595,980	-
Donations Other		5,100	99,864
Interest received		-	607
		727,080	100,471
Administrative expenses			
Audit fees		4,600	-
Bank charges		5,767	1,066
Secretarial fees		300	-
Telecommunication		4,853	-
		15,520	1,066
Other expenses			
Cleaning		5,500	-
End of year function		15,039	-
General expenses: refreshments and gifts		10,886	-
Maths project		-	9,327
Printing and stationery		12,979	-
Stipends		199,456	4,500
Textbooks		79,015	-
Transport		43,452	65,297
Tutor incentives		-	13,325
		366,327	92,449
Surplus from operating activities		345,233	6,956
Surplus for the year		345,233	6,956