

**SIKHULA SONKE EARLY CHILDHOOD DEVELOPMENT NPC  
(REGISTRATION NUMBER 2003/010956/08)**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020**

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Community-based organisation addressing the need for early childhood development and training in Khayelitsha since 2001
<b>Directors</b>	Evan Torrance Mdebuka Mthwazi Sindiswa Dapula Jennifer Klein
<b>Registered office</b>	35 - 903 Cephe Crescent Harare Square Khayelitsha Western Cape 7784
<b>Business address</b>	35 - 903 Cephe Crescent Harare Square Khayelitsha Western Cape 7784
<b>Postal address</b>	PO Box 23122 Claremont Cape Town Western Cape 7735
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	BDV Platinum Audit Services Inc Chartered Accountants (S.A.) Registered Auditors
<b>Company registration number</b>	2003/010956/08
<b>NPO number</b>	030-217 NPO
<b>PBO number</b>	930004377
<b>Tax reference number</b>	9740/630/14/1
<b>PAYE reference number</b>	7200/754/40/8
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: BDV Platinum Professional Services Inc Chartered Accountants (SA)

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

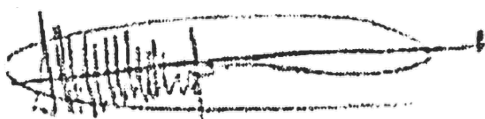
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 4 to 19, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

### Approval of annual financial statements



Director

1 July 2020

Date

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Sikhula Sonke Early Childhood Development NPC for the year ended 29 February 2020.

### 1. Nature of business

Sikhula Sonke Early Childhood Development NPC was incorporated in South Africa and is a community-based organisation addressing the need for early childhood development and training in Khayelitsha since 2001

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

The directors in office at the date of this report are as follows:

#### Directors

Evan Torrance  
Mdebuka Mthwazi  
Sindiswa Dapula  
Jennifer Klein

There have been no changes to the directorate for the period under review.

### 4. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the company.

The company operates in a very food-insecure township and informal settlements within that township.

Management immediately applied for relief funding to provide food parcels to families who form part of all their programmes. Management have, to date, raised an extra R550,000 for this purpose. 20% of the funds related to administrative costs. The company has since become an Essential Services Provider and have changed their focus from Programme delivery to Food provision to the community, while the pandemic is prevalent.

The organisation was invited by one of its long-term funders (Childwick Trust) to apply for Operational Funding, rather than programme funding, for the next cycle, and this has now been granted. Similarly, HomeChoice, Mapula Trust, Percy Fox Foundation and the Department of Social Development have all gone the extra mile to support Sikhula Sonke with funding over this time. This is affirmation that their funders want them to survive this period of uncertainty. The organisation has applied to the National Lotteries Commission Covid-19 Relief Fund to cover Operational Costs (which is still pending). The organisation has also applied for TERS support for the months of May (granted) and June (pending) to ease the salary burden and preserve programme funds.

The directors of the company have reviewed the impact of COVID-19 on the company affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

The directors are of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements.

# **Sikhula Sonke Early Childhood Development NPC**

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## **Directors' Report**

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### **5. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient promised funds to meet its foreseeable cash requirements.

The directors have put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and are of the opinion that no material uncertainty exists about the company's ability to continue as a going concern.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### **6. Auditors**

BDV Platinum Audit Services Inc continued in office as auditors for the company for 2020.

At the AGM, the directors will be requested to reappoint BDV Platinum Audit Services Inc as the independent external auditors of the company and to confirm Mr Braam De Vries as the designated lead audit partner for the 2021 financial year.

**Independent Auditor's Report**

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**To the directors of Sikhula Sonke Early Childhood Development NPC**

**Qualified opinion**

We have audited the annual financial statements of Sikhula Sonke Early Childhood Development NPC (the company) set out on pages 9 to 19, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Sikhula Sonke Early Childhood Development NPC as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

**Basis for qualified opinion**

In common with similar organisations, it is not feasible for the entity to institute accounting controls over collections from cash donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter**

We draw your attention to Note 18 in the annual financial statements, which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on Sikhula Sonke Early Childhood Development NPC's future prospects, performance and cash flows. Management have addressed the effects and implications of COVID-19 on the company and they are satisfied that no material uncertainty exists that may cast significant doubt on Sikhula Sonke Early Childhood Development NPC's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**BDV Platinum Audit Services Incorporated**

**Company Reg No:** 2013/023630/21 **VAT No.:** 4480275661

**Physical Address:** 49 Bell Crescent, | Westlake Business Park | Westlake 7945

**Postal Address:** PO Box 31400 | Tokai 7900 | **Email:** admin@bdvplatinum.com

**Telephone:** 021 701 7620 | **Fax:** 086 639 9572 **Web:** www.bdvplatinum.com

**Directors:** Carel Braam de Vries, Mark Dawson

**Practice No.:** 903104

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sikhula Sonke Early Childhood Development NPC annual financial statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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**BDV Platinum Audit Services Incorporated****Company Reg No:** 2013/023630/21 **VAT No.:** 4480275661**Physical Address:** 49 Bell Crescent, | Westlake Business Park | Westlake 7946**Postal Address:** PO Box 31400 | Tokai 7900 | **Email:** admin@bdvplatinum.com**Telephone:** 021 701 7620 | **Fax:** 086 639 9572 **Web:** www.bdvplatinum.com**Directors:** Carel Braam de Vries, Mark Dawson**Practice No.:** 903104



**Independent Auditor's Report**

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- 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 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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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.

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**BDV Platinum Audit Services Inc**  
**Director - Braam De Vries**  
**Chartered Accountants (SA)**  
**Registered Auditors**

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**Date**

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**BDV Platinum Audit Services Incorporated**

**Company Reg No:** 2013/023630/21 **VAT No.:** 4480275661

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**Directors:** Carel Braam de Vries, Mark Dawson

**Practice No.:** 903104

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Statement of Financial Position as at 29 February 2020

	Note(s)	2020 R	2019 R
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	261,714	27,148
Current Assets			
Trade and other receivables	3	17,045	343,302
Cash and cash equivalents	4	837,739	798,985
		<b>854,784</b>	<b>1,142,287</b>
<b>Total Assets</b>		<b>1,116,498</b>	<b>1,169,435</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		545,498	543,105
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	5	571,000	626,330
<b>Total Liabilities</b>		<b>571,000</b>	<b>626,330</b>
<b>Total Equity and Liabilities</b>		<b>1,116,498</b>	<b>1,169,435</b>

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Statement of Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue		3,713,787	3,375,648
Other income		33,502	2,161
Operating expenses		(3,803,796)	(3,561,026)
<b>Operating loss</b>	6	<b>(56,507)</b>	<b>(183,217)</b>
Investment revenue	7	58,900	49,840
<b>Profit (loss) before taxation</b>		<b>2,393</b>	<b>(133,377)</b>
Taxation	8	-	-
<b>Profit (loss) for the year</b>		<b>2,393</b>	<b>(133,377)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>2,393</b>	<b>(133,377)</b>

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Statement of Changes in Equity

	Retained income R	Total equity R
<b>Balance at 01 March 2018</b>	<b>676,482</b>	<b>676,482</b>
Loss for the year	(133,377)	(133,377)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(133,377)</b>	<b>(133,377)</b>
<b>Balance at 01 March 2019</b>	<b>543,105</b>	<b>543,105</b>
Profit for the year	2,393	2,393
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,393</b>	<b>2,393</b>
<b>Balance at 29 February 2020</b>	<b>545,498</b>	<b>545,498</b>

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Statement of Cash Flows

	Note(s)	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	9	247,902	(178,903)
Interest income		58,900	49,840
<b>Net cash from operating activities</b>		<b>306,802</b>	<b>(129,063)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(268,048)	(10,697)
<b>Net cash from investing activities</b>		<b>(268,048)</b>	<b>(10,697)</b>
<b>Total cash movement for the year</b>		<b>38,754</b>	<b>(139,760)</b>
Cash at the beginning of the year		798,985	938,745
<b>Total cash at end of the year</b>	4	<b>837,739</b>	<b>798,985</b>

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Accounting Policies

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

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment is initially measured at cost and is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Cost includes 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Curriculum programme	Straight line	5 years
Container classrooms	Straight line	10 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Accounting Policies

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### 1.2 Financial instruments (continued)

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.3 Tax

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

### 1.5 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

### 1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue comprises of funding, donations and training fees.

Interest is recognised, in profit or loss, using the effective interest rate method.

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

	2020 R	2019 R
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### 2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	14,884	(12,108)	2,776	14,884	(11,274)	3,610
Office equipment	85,856	(78,225)	7,631	85,856	(72,074)	13,782
IT equipment	147,215	(142,736)	4,479	147,215	(137,459)	9,756
Curriculum programme	26,000	(26,000)	-	26,000	(26,000)	-
Container classrooms	268,049	(21,221)	246,828	-	-	-
<b>Total</b>	<b>542,004</b>	<b>(280,290)</b>	<b>261,714</b>	<b>273,955</b>	<b>(246,807)</b>	<b>27,148</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	3,610	-	(834)	2,776
Office equipment	13,782	-	(6,151)	7,631
IT equipment	9,756	-	(5,277)	4,479
Container classrooms	-	268,048	(21,220)	246,828
	<b>27,148</b>	<b>268,048</b>	<b>(33,482)</b>	<b>261,714</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	4,443	-	(833)	3,610
Office equipment	30,954	10,697	(27,869)	13,782
IT equipment	14,280	-	(4,524)	9,756
	<b>49,677</b>	<b>10,697</b>	<b>(33,226)</b>	<b>27,148</b>

### 3. Trade and other receivables

Accrued income - First Rand Foundation Trust	-	300,000
Prepayments - Vouchers	17,045	43,302
	<b>17,045</b>	<b>343,302</b>

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	21	3,321
Bank balances	194,337	172,183
Short-term deposits	643,381	623,481
	<b>837,739</b>	<b>798,985</b>



# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>5. Trade and other payables</b>		
Deferred income:		
- Home Choice Development Trust	-	50,000
- Jim Joel Fund	135,000	140,000
- Mapula Trust	250,000	280,000
- Percy Fox Foundation	150,000	150,000
- SOLON Foundation	36,000	-
Accruals	-	6,330
	<b>571,000</b>	<b>626,330</b>
<b>6. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	11,041	11,823
Depreciation on property, plant and equipment	33,482	33,226
Employee costs	2,929,570	2,943,356
<b>7. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	58,900	49,766
Staff loans	-	74
	<b>58,900</b>	<b>49,840</b>
<b>8. Taxation</b>		
No provision has been made for 2020 tax as the company has no taxable income. The company is exempt from income tax in terms of Section 30 and 10(1)(cN) of the Income Tax Act. The company's PBO number is 930 004 377.		
<b>9. Cash generated from (used in) operations</b>		
Profit (loss) before taxation	2,393	(133,377)
<b>Adjustments for:</b>		
Depreciation and amortisation	33,482	33,226
Interest received	(58,900)	(49,840)
<b>Changes in working capital:</b>		
Trade and other receivables	326,259	(24,646)
Trade and other payables	(55,332)	(4,266)
	<b>247,902</b>	<b>(178,903)</b>
<b>10. Auditor's remuneration</b>		
Fees	21,850	21,275

# Sikhula Sonke Early Childhood Development NPC

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Annual Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>11. Directors' remuneration</b>		
<b>Executive</b>		
<b>2020</b>		
Mdebuka Mthwazi	<b>Emoluments</b> 497,965	<b>Total</b> 497,965
<b>2019</b>		
Mdebuka Mthwazi	<b>Emoluments</b> 459,543	<b>Total</b> 459,543
<b>12. Funding received</b>		
Allan and Gill Gray Philanthropy	500,000	-
Connect Network	-	36,499
Department of Social Development	706,168	659,948
FC Carter Charitable Trust	-	39,119
First Rand Foundation Trust - FNB	500,000	800,000
Home Choice Development Trust	318,049	150,000
Inclusive Education	9,520	15,840
IQRAA Trust	-	25,000
Jim Joel Foundation	355,000	349,924
Lunchbox Fund	4,400	-
MAID Foundation	130,000	130,000
Mapula Trust	330,000	710,000
National ECD Alliance	3,990	15,960
Oppenheimer Memorial	300,000	-
Percy Fox Foundation	150,000	150,000
SOLON Foundation	95,000	80,000
Surve Philanthropies	19,000	10,000
UnLimited Child	43,000	35,000
	<b>3,464,127</b>	<b>3,207,290</b>
<b>13. Funda Udlale Library services and training</b>		
Accounting and payroll fees	47,266	36,584
Events Costs	8,240	100
Program management	507,691	624,535
Program costs	27,508	2,921
Refreshments and nutrition	4,643	559
Toy Kits	9,365	-
Travel	31,990	40,878
	<b>636,703</b>	<b>705,577</b>

# Sikhula Sonke Early Childhood Development NPC

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## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>14. Emthonjeni outreach</b>		
Accounting and payroll fees	47,266	36,584
Donations and gifts	1,000	-
Entrance Fees	-	1,800
Office equipment and toy kits	881	3,246
Program management	961,997	836,684
Program costs	-	27,971
Refreshments and nutrition	53,801	42,670
Staff development, training and welfare	-	112
Telephone and communication	2,910	5,719
Travel	27,733	28,001
	<b>1,095,588</b>	<b>982,787</b>
<b>15. Family community motivator</b>		
Accounting and payroll fees	47,266	36,584
Entrance Fees	-	1,850
Office equipment and toy kits	9,951	2,286
Program management	1,365,258	1,367,058
Program costs	30,699	32,086
Refreshments and nutrition	42,803	51,697
Rental	10,040	-
Staff development, training and welfare	1,000	112
Telephone and communication	2,426	8,382
Travel	28,034	23,259
	<b>1,537,477</b>	<b>1,523,314</b>
<b>16. Related parties</b>		
<b>Relationships</b>		
Members of key management	M. Mthwazi J.M. Glanville	
<b>Related party balances and transactions with key management personnel of the company</b>		
<b>Related party transactions</b>		
<b>Interest paid to (received from) related parties</b>		
M. Mthwazi	-	(74)
<b>Accounting and payroll fees paid to (received from) related parties</b>		
J.M. Glanville	61,681	39,488

# Sikhula Sonke Early Childhood Development NPC

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Annual Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

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2020	2019
R	R

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### 17. 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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The directors have put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and are of the opinion that no material uncertainty exists about the company's ability to continue as a going concern.

### 18. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the company.

The directors of the company have reviewed the impact of COVID-19 on the company affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

The directors are of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements..

# Sikhula Sonke Early Childhood Development NPC

(Registration number: 2003/010956/08)

Annual Financial Statements for the year ended 29 February 2020

## Detailed Income Statement

	Note(s)	2020 R	2019 R
<b>Revenue</b>			
Donations		216,770	134,358
Funding received	12	3,464,127	3,207,290
Training fees		32,890	34,000
		<b>3,713,787</b>	<b>3,375,648</b>
<b>Other income</b>			
Elom assessments		22,575	-
Insurance claims		927	2,161
Umthlobo Wenene award		10,000	-
		<b>33,502</b>	<b>2,161</b>
<b>Operating expenses</b>			
Accounting and payroll fees		189,062	159,516
Assessment costs		-	2,000
Auditors remuneration	10	21,850	21,275
Bank charges		14,500	12,722
Cleaning materials		8,870	4,147
Computer expenses		8,000	6,019
Consulting fees		-	855
Depreciation		33,482	33,226
Donations and gifts		1,000	-
Entrance fees		14,690	3,750
Fundraising and marketing costs		72,781	36,128
Insurance		10,278	9,353
Membership fees		5,130	1,500
Municipal expenses		16,395	12,782
Office equipment		24,667	1,987
Postage		332	348
Printing and stationery		55,459	27,542
Refreshments		117,219	103,348
Rental office		11,041	11,823
Repairs and maintenance		7,926	2,146
Salaries and wages		2,929,570	2,943,356
School uniforms		47,234	-
Security		-	4,228
Small assets less than R 5,000		36,073	10,714
Staff development, training and welfare		3,637	224
Strategic planning		19,137	17,098
Telephone and fax		45,040	15,820
Toy kits		-	2,493
Travel costs		110,423	116,626
		<b>3,803,796</b>	<b>3,561,026</b>
<b>Operating loss</b>	6	<b>(56,507)</b>	<b>(183,217)</b>
Investment income	7	58,900	49,840
<b>Profit (loss) before taxation</b>		<b>2,393</b>	<b>(133,377)</b>
Taxation	8	-	-
<b>Profit (loss) for the year</b>		<b>2,393</b>	<b>(133,377)</b>