RAYS OF HOPE ALEXANDRA NPC
(REGISTRATION NUMBER 2004/010257/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

HLB BARNETT CHOWN INC.
REGISTERED AUDITORS

Registered Auditors
Practice No 902230 Reg No. 2006/011332/21

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

The annual financial statements for the year ended 31 December 2023 have been audited by HLB Barnett Chown Inc., in compliance with the applicable requirements of the Companies Act, 71 of 2008. The financial statements were prepared by MP Lock Professional Accountant (S.A.), a manager of HLB Barnett Chown Proprietary Limited.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of 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 year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

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 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 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 view that, 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 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been audited by the company's external auditor and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 5 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 31 May 2024 and were signed on its behalf by:

JJ Adjodia

HLB BARNETT CHOWN INC.
REGISTERED AUDITORS

INDEPENDENT AUDITORS' REPORT

To the Members of Rays of Hope Alexandra

Report on the Audit of the Annual Financial Statements

Qualified opinion

We have audited the Annual Financial Statements of Rays of Hope Alexandra NPC set out on pages 9 to 25, which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Surplus or Deficit and Other 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 matters 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 Rays of Hope Alexandra NPC as at 31 December 2023, 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.

Basis for qualified opinion

As it is with similar organisations, it is not feasible for the company to institute accounting controls over cash collections and donations prior to the initial entry of the collection 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 Auditors' Responsibilities for the Audit of the Annual Financial Statements section of my report. We are independent of the 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Annual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Consolidation

The company has not consolidated its subsidiary into the Annual Financial Statements presented. The investment in the subsidiary has been accounted for at cost. Under the International Financial Reporting Standard for Small and Medium-sized Entities, the Company is required to consolidate its subsidiary. Had the subsidiary been consolidated into the Annual Financial Statements presented, many elements contained therein would have been materially affected.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa and the Supplementary Information set out on pages 5 to 8 and 26 to 27 respectively, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditors' 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.

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Directors: D.B. Bezuidenhout CA (SA), M.C. Sheppard CA (SA), L Harvey CA (SA)

INDEPENDENT AUDITORS' REPORT

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.

Auditors' responsibilities for the audit of the 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 auditors' report that includes my 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 skepticism 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.
- 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 auditors' 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 auditors' 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.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that HLB Barnett Chown Incorporated have been the auditors of Rays of Hope Alexandra NPC for 9 years.

HLB Barnett Chown Incorporated

Per: Malcolm Sheppard
Capacity: Engagement partner
Chartered Accountant (S.A.)
Registered Auditors

31 May 2024
Bedfordview

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DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Rays of Hope Alexandra NPC for the year ended 31 December 2023.

1. Nature of business

Rays of Hope Alexandra NPC is incorporated in South Africa and is a non profit organisation which manages a large number of social outreach projects in the Alexandra Township in northern Johannesburg. The company operates in South Africa.

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. Going concern

We draw attention to the fact that at 31 December 2023, the company made a profit of R4 617 295 (2022: loss of R683 537) and that the company's current liabilities exceed its current assets by R1 438 889 (2022: R3 892 752). However, recognised in current liabilities are donations received in advance of R1 147 541 (2022: R3 618 123) as well as designated funds received of R805 345 (2022: R214 519) which are expected to be recognised in revenue subsequent to year end and will result in the company being liquid. Furthermore the company invested donations received in advance into an Allan Gray Investment Unit Trust account. The investment is disclosed as a non-current asset on the Annual Financial Statements. The investment is however highly liquid as it can be converted into cash which can be used to settle the current liabilities of the company as and when they become due.

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 borrowing facilities to meet its foreseeable cash requirements.

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.

4. Events after the reporting period

Subsequent to year end the Project Ignition became an independent, separately-run company and for the financial year ending 31 December 2024 the company will no longer provide facilitation to Project Ignition. The directors are not aware of any further material event which occurred after the reporting date and up to the date of this report.

5. Authorised and issued share capital

The company being incorporated as a Non-Profit Company in accordance with the Company's Act No. 71 of 2008 does not have share capital.

6. Directorate

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

Name	Changes
IK Anderson	
JD Shuttleworth	
JJ Adjodia	Appointed 06 February 2024
JC Kurten	
JI Du Toit	
NS Nkosi	
T Gumbi	
SY Chapman	Resigned 01 February 2023
AM Meulenberg	
MS Zwane	Appointed 09 January 2023

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 December 2023 the company's investment in property, plant and equipment amounted to R6 499 317 (2022: R1 610 395), of which R5 121 000 (2022: R 1 224 381) was added in the current year through additions and no disposals (2022: Rnil).

8. Directors' interests in contracts

During the financial year no contracts were entered into, in which the directors or officers of the company had an interest and which significantly affected the business of the company.

9. Interest in subsidiary

The interest of the company in the profits and losses of its subsidiary for the year ended 31 December 2023 are as follows:

	Company	
	2023 R	2022 R
Subsidiary		
Alex Works Proprietary Limited	391 179	(99 200)

The company owns 100% (2022: 100%) of the shares in Alex Works Proprietary Limited.

The nature of the business for Alex Works Proprietary Limited is that of the promotion of the community by creating employment and it operates principally in South Africa.

Details of the company's investment in the subsidiary is set out in note 3 of the notes to the Annual Financial Statements.

10. Holding company

The company has no holding company.

DIRECTORS' REPORT

11. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited. However all borrowings by the company are subject to board approval as required by the board delegation of authority.

12. Secretary

The company had no secretary during the year.

13. Consolidation

No consolidation has been presented as:

- The company's owners, have been informed about, and do not object to, the parent not presenting consolidated financial statements;

- The company's debt or equity instruments are not traded in a public market;

- The company did not file, nor is it in the process of filing, its financial statements with securities commission or other regulatory organisations for the purpose of issuing any clear instruments in the market and

- The directors are of the opinion that it is not necessary to consolidate as not consolidating is not pervasive to the users.

- The individual financial statements of the subsidiaries are available at Corner St Andrews Road and William Nicol Drive, Hurlingham, Sandton.

14. Auditors

HLB Barnett Chown Incorporated will continue in office for the next financial year.

At the board meeting held for discussion of the financial statements, the members will be requested to reappoint HLB Barnett Chown Incorporated as the independent external auditors of the company and to confirm Mr Malcolm Sheppard as the designated lead audit partner for the 2024 financial year.

15. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

16. Litigation statement

The company is not currently involved in any claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

17. Number of employees

The average number of employees during the year was 69 (2022: 47) of which 30 employees were contracted under learnership agreements.

18. Registered and physical address

The registered and physical address of the company is:

Corner St Andrews Road and William Nicol Drive
Hurlingham
Sandton
2196

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	6 499 317	1 610 395
Investment in subsidiaries	3	100	100
Other financial assets	4	937 846	3 890 141
		7 437 263	**5 500 636**
Current Assets			
Trade and other receivables	6	65 350	377 916
Cash and cash equivalents	7	820 438	1 016 872
		885 788	**1 394 788**
Total Assets		**8 323 051**	**6 895 424**
Equity and Liabilities			
Equity			
Retained income		5 996 224	1 378 929
Liabilities			
Non-Current Liabilities			
Loans from related parties	5	2 150	228 955
Current Liabilities			
Trade and other payables	8	2 038 388	5 022 767
Provisions	9	286 289	264 773
		2 324 677	**5 287 540**
Total Liabilities		**2 326 827**	**5 516 495**
Total Equity and Liabilities		**8 323 051**	**6 895 424**

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Notes	2023 R	2022 R
Revenue	10	17 082 209	13 573 179
Other income		376 264	844 815
Other operating expenses		(13 567 226)	(15 249 599)
(Deficit)/surplus	11	**3 891 247**	**(831 605)**
Investment revenue	12	726 048	148 068
(Deficit)/surplus for the year		**4 617 295**	**(683 537)**

STATEMENT OF CHANGES IN EQUITY

	Retained income R	Total equity R
Balance at 01 January 2022	**2 062 466**	**2 062 466**
Deficit for the year	(683 537)	(683 537)
Other comprehensive income	-	-
Total deficit for the year	**(683 537)**	**(683 537)**
Balance at 01 January 2023	**1 378 929**	**1 378 929**
Surplus for the year	4 617 295	4 617 295
Other comprehensive income	-	-
Total deficit for the year	**4 617 295**	**4 617 295**
Balance at 31 December 2023	**5 996 224**	**5 996 224**

STATEMENT OF CASH FLOWS

	Note(s)	2023 R	2022 R
Cash flows from operating activities			
Cash generated (used) from operations	18	1 080 810	1 556 897
Investment revenue		168 904	148 068
Dividends received		557 144	-
Net cash from operating activities		**1 806 858**	**1 704 965**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5 121 000)	(1 224 381)
Movement in related party loans		(226 805)	229 355
Net investment in other financial assets		3 344 513	(1 534 254)
Net cash from investing activities		**(2 003 292)**	**(2 529 280)**
Total cash movement for the year		**(196 434)**	**(824 315)**
Cash at the beginning of the year		1 016 872	1 841 187
Total cash at end of the year	7	**820 438**	**1 016 872**

1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared 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.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements in applying accounting policies

The significant judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Trade and other receivables

The company assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Property, plant and equipment

Management has made certain estimations with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Depreciation method	Average useful life
Land and buildings	Not applicable	Indefinite
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Containers	Straight line	10 years
Generators	Straight line	15 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

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 surplus or deficit when the item is derecognised.

1.4 Investment in subsidiary

Investment in subsidiary is carried at cost less any accumulated impairment losses.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment and can measured reliably.

1.5 Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.6 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.6 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.7 Revenue

Revenue is recognised when all the following conditions have been satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised, in surplus or deficit, when accrued.

Donations received are recognised when received.

1.8 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Designated funds

Designated funds are funds that have been given to the company for specific purposes and are carried on the statement of financial position for future use.

	2023 R	2022 R

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land and buildings	5 121 000	-	5 121 000	-	-	-
Containers	523 134	(119 383)	403 751	523 134	(67 070)	456 064
Motor vehicles	561 303	(19 115)	542 188	561 303	(14 974)	546 329
IT equipment	134 239	(114 095)	20 144	134 239	(74 291)	59 948
Generators	679 097	(266 863)	412 234	679 097	(131 043)	548 054
Total	**7 018 773**	**(519 456)**	**6 499 317**	**1 897 773**	**(287 378)**	**1 610 395**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Land and buildings	-	5 121 000	-	5 121 000
Containers	456 064	-	(52 313)	403 751
Motor vehicles	546 329	-	(4 141)	542 188
IT equipment	59 948	-	(39 804)	20 144
Generators	548 054	-	(135 820)	412 234
	1 610 395	**5 121 000**	**(232 078)**	**6 499 317**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Containers	199 307	297 298	(40 541)	456 064
Motor vehicles	56 017	493 404	(3 092)	546 329
IT equipment	78 657	22 497	(41 206)	59 948
Generators	240 070	411 182	(103 198)	548 054
	574 051	**1 224 381**	**(188 037)**	**1 610 395**

	2023 R	2022 R

2. Property, plant and equipment (continued)

Details of property

	2023 R	2022 R
1 Lupin Str - ERF 280 Marlboro Gardens Ext 1 Township		
- Donated value 2021	1 591 000	-
2 Lupin Str - ERF 279 Marlboro Gardens Ext 1 Township		
- Donated value 2021	1 494 000	-
5 Lupin Str - ERF 276 Marlboro Gardens Ext 1 Township - Vacant Plot		
- Donated value 2021	1 049 000	-
6 Lupin Str - ERF 275 Marlboro Gardens Ext 1 Township		
- Donated value 2021	987 000	-

Properties on Lupin Street were donated to the company on 19 September 2021 by The To Life Charitable Trust NPC and will be subsequently measured at fair value through profit or loss. These buildings were identified during the current year audit.

As per the company's Memorandum of Incorporation upon its winding up, deregistration or dissolution the assets of the company remaining after its liabilities have been settled shall be transferred to any public benefit organisation, an establishment that is exempt from tax or the government. The company's Memorandum of Incorporation does allow for the sale of assets or part thereof to a profit company however the assets must be sold at fair value.

3. Investment in subsidiary

The investment in subsidiary is carried at cost less any accumulated impairment losses.

Name of company	% voting power 2023	% voting power 2022	Carrying amount 2023	Carrying amount 2022
Alex Works Proprietary Limited	100.00 %	100.00 %	100	100

The members valuation of investment in Alex Works Proprietary Limited as at 31 December 2023 is R100 (2022: R100).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 R	2022 R

4. Other financial assets

	2023 R	2022 R
At fair value through surplus or deficit - designated		
Allan Gray Education Fund	117 656	683 092
117,656 units at 100 cents each (2022: 683,092) units		
Allan Gray Money Market Fund	820 190	3 207 049
820,190 units at 100 cents each (2022: 3,207,049) units		
	937 846	**3 890 141**
Non-current assets		
At Fair Value (Listed)	937 846	3 890 141

5. Loans to (from) related parties

	2023 R	2022 R
Alex Works Proprietary Limited	1 271 470	1 663 688
The loan is unsecured and interest free (2022: unsecured and interest free). There are no fixed terms of repayment.		
Alex Works Proprietary Limited	(1 271 470)	(1 663 688)
Impairment of loan - Alex Works Proprietary Limited.		
Ignition Proprietary Limited	(2 050)	(228 855)
The loan is unsecured and interest free (2022: unsecured and interest free). There are no fixed terms of repayment.		
Masibambisane Empowerment Trust	(100)	(100)
The loan is unsecured and interest free (2022: unsecured and interest free). There are no fixed terms of repayment.		
	(2 150)	**(228 955)**

6. Trade and other receivables

	2023 R	2022 R
Trade receivables	46 750	339 741
Employee costs in advance	18 600	38 175
	65 350	**377 916**

Trade and other receivables are unsecured and are receivable within a period of twelve months. The carrying amounts of trade and other receivables approximate their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 R	2022 R

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023 R	2022 R
Cash on hand	10 035	6 826
Bank balances	778 540	980 295
Short-term deposits	31 863	29 751
	820 438	**1 016 872**

8. Trade and other payables

	2023 R	2022 R
Designated funds	23 803	888 389
Amounts received in advance	1 147 541	3 618 123
Designated funds	805 345	214 519
Accruals	48 972	69 781
Bursaries and school fees	12 727	231 955
	2 038 388	**5 022 767**

Trade and other payables are unsecured and are payable within a period of twelve months. The carrying amounts of trade and other payables approximate their fair value.

9. Provisions

Reconciliation of provisions - 2023

	Opening balance	Additions	Reversed during the year	Total
Provision for leave pay	264 773	286 289	(264 773)	286 289

Reconciliation of provisions - 2022

	Opening balance	Additions	Reversed during the year	Total
Provision for leave pay	249 089	264 773	(249 089)	264 773

10. Revenue

	2023 R	2022 R
Rendering of services	12 819	8 613
Donations	10 229 195	3 555 336
Specific projects revenue	6 741 218	9 954 953
Fund raising revenue	98 977	54 277
	17 082 209	**13 573 179**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2023 R	2022 R

11. Operating surplus (deficit)

(Deficit)/surplus for the year is stated after charging (crediting) the following, amongst others:

	2023 R	2022 R
Auditors' remuneration - external		
Audit fees	48 972	43 223
Tax and secretarial services	9 762	29 398
	58 734	**72 621**
Employee costs		
Salaries, wages, bonuses and other benefits	8 762 404	7 780 095
Depreciation and amortisation		
Depreciation of property, plant and equipment	232 078	188 037

12. Investment revenue

	2023 R	2022 R
Dividend income		
Distribution received from related party	557 144	-
Interest income		
From investments in financial assets:		
Bank	168 904	148 068
Total investment income	**726 048**	**148 068**

13. Project Ignition (income) expenses

	2023 R	2022 R
Summary of income and expenses		
Total income for the year	(540 310)	(578 888)
Total expenses for the year	736 855	571 454
	196 545	**(7 434)**

The organisation provides facilitation to Project Ignition in their quest to develop the youth of South Africa. The organisation set up a bank account for Project Ignition where the donors donate funds to support the operation of the project. Project Ignition is focused on increasing self-knowledge, people relationship skills and practical work experience to the youth of South Africa.

Subsequent to year end the Project Ignition became an independent, separately-run company and for the financial year ending 31 December 2024 the company will no longer provide facilitation to Project Ignition.

	2023 R	2022 R

14. Directors' emoluments

Executive

2023

	Emoluments	Bonus	Other employee benefits	Total
MS Zwane	943 190	-	18 371	961 561

2022

	Emoluments	Bonus	Other employee benefits	Total
JD Shuttleworth	657 000	27 375	-	684 375
SY Chapman	544 658	22 775	8 855	576 288
	1 201 658	**50 150**	**8 855**	**1 260 663**

15. Taxation

No provision was made for South African normal taxation as the company had no taxable income due to it being registered as a non profit organisation in terms of Section 10(1)(cN) of the Income Tax Act.

16. Related parties

Relationships

Subsidiaries	Alex Works Proprietary Limited
Group entity	The Masibambisane Empowerment Trust Ignition Proprietary Limited

Related party balances

Loan accounts - Owing (to) by related parties		
Alex Works Proprietary Limited	1 271 470	1 663 688
The Masibambisane Empowerment Trust	(100)	(100)
Ignition Proprietary Limited	(2 050)	(228 855)

	2023 R	2022 R

16. Related parties (continued)

Related party transactions

Impairment adjustment on loan with related party		
Alex Works Proprietary Limited	(392 218)	108 982
Salaries and wages paid to (received from) related parties		
Alex Works Proprietary Limited	(140 745)	(193 825)
Administration fees paid to (received from) related parties		
Alex Works Proprietary Limited	(34 818)	-
The Masibambisane Empowerment Trust	(34 818)	(70 260)
Distribution received from related parties		
The Masibambisane Empowerment Trust	(557 144)	-

17. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	53 926	46 893
- in second to fifth year inclusive	153 836	207 762
	207 762	**254 655**

Operating lease payments represent rentals payable by the company for certain of its office equipment. Leases are negotiated for an average term of five years. No contingent rent is payable.

18. Cash generated from operations

Surplus before taxation	4 617 295	(683 537)
Adjustments for:		
Depreciation and amortisation	232 078	188 037
Dividends received	(557 144)	-
Investment revenue	(168 904)	(148 068)
Impairment of related party loan	(392 218)	108 982
Movements in provisions	21 516	15 684
Changes in working capital:		
Trade and other receivables	312 566	(269 905)
Trade and other payables	(2 984 379)	2 345 704
	1 080 810	**1 556 897**

	2023	2022
	R	R

19. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 5 cash and cash equivalents disclosed in note 7, and as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow and interest rate risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company’s risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the company has no significant interest-bearing assets, the company’s income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The enterprise manages its credit risk exposure by having an active credit system in place which consistently manages amounts outstanding in respect of loan and receivables.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

	2023	2022
	R	R

20. Going concern

We draw attention to the fact that at 31 December 2023, the company made a profit of R4 617 295 (2022: loss of R683 537) and that the company's current liabilities exceed its current assets by R1 438 889 (2022: R3 892 752). However, recognised in current liabilities are donations received in advance of R1 147 541 (2022: R3 618 123) as well as designated funds received of R805 345 (2022: R214 519) which are expected to be recognised in revenue subsequent to year end and will result in the company being liquid. Furthermore the company invested donations received in advance into an Allan Gray Investment Unit Trust account. The investment is disclosed as a non-current asset on the Annual Financial Statements. The investment is however highly liquid as it can be converted into cash which can be used to settle the current liabilities of the company as and when they become due.

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 borrowing facilities to meet its foreseeable cash requirements.

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.

21. Events after the reporting period

Subsequent to year end the Project Ignition became an independent, separately-run company and for the financial year ending 31 December 2024 the company will no longer provide facilitation to Project Ignition. The directors are not aware of any further material event which occurred after the reporting date and up to the date of this report.

DETAILED INCOME STATEMENT

	Note(s)	2023 R	2022 R
Revenue			
Donations		10 229 195	3 555 336
Fundraising income		98 977	54 277
Sundry income		12 819	8 613
Specific projects income		6 741 218	9 954 953
	10	**17 082 209**	**13 573 179**
Other operating income			
Hyde Park Mall parking income		353 450	342 950
Insurance refund		22 814	178 505
Vehicle received through donation		-	323 360
		376 264	**844 815**
Expenses (Refer to page 27)		**(13 567 226)**	**(15 249 599)**
(Deficit)/surplus	11	**3 891 247**	**(831 605)**
Investment revenue	12	726 048	148 068
(Deficit)/surplus for the year		**4 617 295**	**(683 537)**

DETAILED INCOME STATEMENT

	Note(s)	2023 R	2022 R
Other operating expenses			
Advertising and promotions		120 641	134 984
Auditors' remuneration	11	58 734	72 621
Bank charges		23 504	25 300
Cleaning		5 364	17 668
Computer expenses		16 407	94 231
Consulting fees		153 572	149 492
Depreciation		232 078	188 037
Employee costs		8 762 404	7 780 095
Entertainment		15 295	8 561
Fund raising expenses		8 775	10 636
Gifts		17 071	10 126
Impairment		(392 218)	108 982
Insurance		120 287	177 878
Management fees		38 870	56 086
Medical expenses		-	234
Motor vehicle expenses		197 640	347 017
Municipal expenses		24 211	94 580
Office equipment		21 614	13 277
Pest control		11 228	29 369
Printing and stationery		127 916	86 884
Project Ingition net (income) loss	13	200 030	(7 434)
Repairs and maintenance		555 790	367 449
Security		239 544	241 189
Special projects expenses		2 904 112	4 927 814
Staff recruitment costs		-	14 407
Staff welfare		16 476	33 665
Telephone		21 579	83 132
Training		5 184	121 930
Transport and freight		6 338	61 389
Travel - overseas		54 780	-
		13 567 226	**15 249 599**