RAYS OF HOPE COMMUNITY DEVELOPMENT FOUNDATION NPC
(REGISTRATION NUMBER 2004/010257/08)
ABRIDGED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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The following supplementary information does not form part of the abridged annual financial statements and is unaudited:

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The annual financial statements for the year ended 31 December 2024 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 abridged annual financial statements and related financial information included in this report. It is their responsibility to ensure that the abridged 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 abridged 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 abridged 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 2025 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 abridged annual financial statements. The abridged annual financial statements have been audited by the company's external auditor and their report is presented on pages 3 to 4.

The abridged annual financial statements set out on pages 5 to 26, which have been prepared on the going concern basis, were approved by the board of directors on 06 June 2025 and were signed on its behalf by:

MS Zwane

Muziwethu Zwane (CEO)
Rays of Hope
066 180 0569
DATE 02 July 2025

INDEPENDENT AUDITORS' REPORT

To the Members of Rays of Hope Alexandra

Report on the Audit of the Abridged Annual Financial Statements

Qualified opinion

We have audited the Abridged Annual Financial Statements of Rays of Hope Community Development Foundation NPC set out on pages 9 to 24, which comprise the Statement of Financial Position as at 31 December 2024, 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 Abridged 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 Abridged Annual Financial Statements present fairly, in all material respects, the financial position of Rays of Hope Community Development Foundation NPC as at 31 December 2024, 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 Abridged 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 Abridged Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Abridged 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 pages 5 to 8 and pages 25 to 26 respectively, which we obtained prior to the date of this report. Other information does not include the Abridged Annual Financial Statements and our auditors' report thereon.

Our opinion on the Abridged 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 Abridged 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 Abridged 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 Abridged Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Abridged 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 Abridged Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

In preparing the Abridged 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 Abridged 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 Abridged 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 Abridged 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 Abridged 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 Abridged Annual Financial Statements, including the disclosures, and whether the Abridged 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 Community Development Foundation NPC for 10 years.

HLB Barnett Chown Incorporated

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

06 June 2025
Bedfordview

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the abridged annual financial statements of Rays of Hope Community Development Foundation NPC for the year ended 31 December 2024.

1. Nature of business

Rays of Hope Community Development Foundation 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 abridged 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 abridged annual financial statements.

3. Going concern

We draw attention to the fact that at 31 December 2024, the company made a profit of R1 313 216 (2023: R4 617 295) and that the company's current liabilities exceed its current assets by R1 095 982 (2023: R1 438 893). However, recognised in current liabilities are donations received in advance of R1 339 667 (2023: R1 147 541) as well as designated funds received of R227 601 (2023: R805 345) 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.

DIRECTORS' REPORT

6. Directorate

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

Name	Changes
IK Anderson	Resigned 23 July 2024
JD Shuttleworth	Resigned 03 October 2024
JJ Adjodia	Appointed 06 February 2024, resigned 21 February 2025
JC Kurten	
JI Du Toit	Resigned 03 April 2024
NS Nkosi	Resigned 03 April 2024
T Gumbi	Resigned 03 October 2024
AM Meulenberg	Resigned 03 April 2024
MS Zwane	
P Hlatswayo	Appointed 01 January 2025

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 2024 the company's investment in property, plant and equipment amounted to R7 346 638 (2023: R6 499 317), of which R1 057 549 (2023: R 5 121 000) was added in the current year through additions and no disposals (2023: 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 2024 are as follows:

	Company	
	2024	**2023**
	R	**R**
Associates		
Total share of equity accounted profits	105 717	391 179

The company owns 100% (2023: 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.

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 2025 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 40 (2023: 69) 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 2024

	Notes	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	7 346 638	6 499 317
Investments in subsidiaries	3	100	100
Other financial assets	4	306 460	937 846
		7 653 198	**7 437 263**
Current Assets			
Trade and other receivables	5	30 530	65 350
Cash and cash equivalents	6	763 425	820 438
		793 955	**885 788**
Total Assets		**8 447 153**	**8 323 051**
Equity and Liabilities			
Equity			
Retained income		6 553 111	5 996 220
Liabilities			
Non-Current Liabilities			
Loans from group companies	7	4 105	2 150
Current Liabilities			
Trade and other payables	8	1 724 538	2 038 392
Provisions	9	165 399	286 289
		1 889 937	**2 324 681**
Total Liabilities		**1 894 042**	**2 326 831**
Total Equity and Liabilities		**8 447 153**	**8 323 051**

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

	Notes	2024 R	2023 R
Revenue	10	10 126 967	17 082 209
Other income		902 682	376 264
Other operating expenses		(10 362 864)	(13 567 226)
(Deficit)/surplus	11	**666 785**	**3 891 247**
Investment revenue	12	647 053	726 048
Finance costs		(622)	-
(Deficit)/surplus for the year		**1 313 216**	**4 617 295**

STATEMENT OF CHANGES IN EQUITY

	Retained income R	Total equity R
Balance at 01 January 2023	**1 378 925**	**1 378 925**
Deficit 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 01 January 2024	**5 996 220**	**5 996 220**
Surplus for the year	1 313 216	1 313 216
Other comprehensive income	-	-
Total deficit for the year	**1 313 216**	**1 313 216**
Derecognition of retained income for Ignition Youth Development NPC	(756 325)	(756 325)
Balance at 31 December 2024	**6 553 111**	**6 553 111**

STATEMENT OF CASH FLOWS

	Note(s)	2024 R	2023 R
Cash flows from operating activities			
Cash generated (used) from operations	17	(410 974)	1 080 810
Investment revenue		67 053	168 904
Dividends received		580 000	557 144
Finance costs		(622)	-
Net cash from operating activities		**235 457**	**1 806 858**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 057 549)	(5 121 000)
Movement in related party loans		1 955	(226 805)
Net investment in other financial assets		763 124	3 344 513
Net cash from investing activities		**(292 470)**	**(2 003 292)**
Total cash movement for the year		**(57 013)**	**(196 434)**
Cash at the beginning of the year		820 438	1 016 872
Total cash at end of the year	6	**763 425**	**820 438**

ACCOUNTING POLICIES

1. Significant accounting policies

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

1.1 Basis of preparation

The abridged 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 abridged 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 abridged 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.

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.

	2024 R	2023 R

2. Property, plant and equipment

	2024			2023		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land and buildings	6 171 000	-	6 171 000	5 121 000	-	5 121 000
Containers	523 134	(171 697)	351 437	523 134	(119 383)	403 751
Motor vehicles	561 303	(23 256)	538 047	561 303	(19 115)	542 188
IT equipment	134 239	(130 917)	3 322	134 239	(114 095)	20 144
Generators	686 646	(403 814)	282 832	679 097	(266 863)	412 234
Total	**8 076 322**	**(729 684)**	**7 346 638**	**7 018 773**	**(519 456)**	**6 499 317**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Depreciation**	**Total**
Land and buildings	5 121 000	1 050 000	-	6 171 000
Containers	403 751	-	(52 314)	351 437
Motor vehicles	542 188	-	(4 141)	538 047
IT equipment	20 144	-	(16 822)	3 322
Generators	412 234	7 549	(136 952)	282 832
	6 499 317	**1 057 549**	**(210 229)**	**7 346 638**

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**

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

2. Property, plant and equipment (continued)

Details of property

1 Lupin Str - ERF 280 Marlboro Gardens Ext 1 Township		
- Purchase price: 02 March 2022	1 591 000	1 591 000
2 Lupin Str - ERF 279 Marlboro Gardens Ext 1 Township		
- Purchase price: 02 March 2022	1 494 000	1 494 000
5 Lupin Str - ERF 276 Marlboro Gardens Ext 1 Township - Vacant Plot		
- Purchase price: 02 March 2022	1 049 000	1 049 000
6 Lupin Str - ERF 275 Marlboro Gardens Ext 1 Township		
- Purchase price: 02 March 2022	987 000	987 000
ERF 784 Marlboro Township		
Terms and conditions		
- Purchase price: 03 August 2023	1 050 000	-

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 2024	% voting power 2023	Carrying amount 2024	Carrying amount 2023
Group co ID 1	100,00 %	100,00 %	100	100

The members valuation of investment in Alex Works Proprietary Limited as at 31 December 2024 is R100 (2023: R100).

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

4. Other financial assets

	2024 R	2023 R
At fair value through surplus or deficit - designated		
Allan Gray Education Fund	3 782	117 656
3,782 units at 100 cents each (2023: 117,656 units)		
Allan Gray Money Market Fund	302 678	820 190
302,678 units at 100 cents each (2023: 820,190 units)		
	306 460	**937 846**

	2024 R	2023 R
Non-current assets		
At Fair Value (Listed)	306 460	937 846

5. Trade and other receivables

	2024 R	2023 R
Trade receivables	28 881	46 750
Employee costs in advance	1 649	18 600
	30 530	**65 350**

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.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024 R	2023 R
Cash on hand	5 457	10 035
Bank balances	723 737	778 540
Short-term deposits	34 231	31 863
	763 425	**820 438**

7. Loans to (from) group companies

	2024 R	2023 R
Alex Works Proprietary Limited	1 139 732	1 271 470
The loan is unsecured and interest free (2023: unsecured and interest free). There are no fixed terms of repayment.		
Impairment of loan - Alex Works Proprietary Limited	(1 139 732)	(1 271 470)
Ignition Proprietary Limited	(4 005)	(2 050)
The loan is unsecured and interest free (2023: unsecured and interest free). There are no fixed terms of repayment.		
Masibambisane Empowerment Trust	(100)	(100)
The loan is unsecured and interest free (2023: unsecured and interest free). There are no fixed terms of repayment.		
	(4 105)	**(2 150)**

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

8. Trade and other payables

	2024 R	2023 R
Designated funds	105 360	23 807
Amounts received in advance	1 339 667	1 147 541
Designated funds	227 601	805 345
Accruals	51 910	48 972
Bursaries and school fees	-	12 727
	1 724 538	**2 038 392**

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 - 2024

	Opening balance	Additions	Reversed during the year	Total
Provision for leave pay	286 289	1 761	(122 651)	165 399

Reconciliation of provisions - 2023

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

10. Revenue

	2024 R	2023 R
Rendering of services	9 437	12 819
Donations	6 991 169	10 229 195
Specific projects revenue	3 035 150	6 741 218
Fund raising revenue	91 211	98 977
	10 126 967	**17 082 209**

11. Operating surplus (deficit)

Surplus for the year is stated after charging (crediting) the following, amongst others:

	2024 R	2023 R
Auditor's remuneration - external		
Audit fees	51 910	48 972
Tax and secretarial services	21 760	9 762
	73 670	**58 734**

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

11. Operating surplus (deficit) (continued)

Employee costs

Salaries, wages, bonuses and other benefits	7 656 814	8 762 404

Depreciation and amortisation

Depreciation of property, plant and equipment	210 229	232 078

12. Investment revenue

Dividend income

Distribution received from related party	340 000	557 144

Interest income
From investments in financial assets:

Bank	67 053	168 904
Total investment income	**407 053**	**726 048**

13. Project Ignition (income) expenses

Heading

Total income for the year	(193 797)	(540 310)
Total expenses for the year	-	736 855
	(193 797)	**196 545**

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

During the financial year, the Ignition Youth Development NPC became an independent, separately-run company and Rays of Hope Community Development Foundation NPC no longer provided facilitation to Ignition Youth Development NPC.

14. 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.

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R

15. Related parties

Relationships

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

Related party balances

	2024 R	2023 R
Loan accounts - Owing (to) by related parties		
Alex Works Proprietary Limited	1 139 732	1 271 470
The Masibambisane Empowerment Trust	(100)	(100)
Ignition Youth Development NPC	(4 005)	(2 050)

Related party transactions

	2024 R	2023 R
Impairment adjustment on loan with related party		
Alex Works Proprietary Limited	(1 139 732)	(1 271 470)
Salaries and wages paid to (received from) related party		
Alex Works Proprietary Limited	(177 956)	(140 745)
Administration fees paid to (received from) related parties		
Alex Works Proprietary Limited	(36 907)	(34 818)
The Masibambisane Empowerment Trust	(36 907)	(34 818)
Distribution received from related parties		
The Masibambisane Empowerment Trust	(580 000)	(557 144)

16. Commitments

Operating leases – as lessee (expense)

	2024 R	2023 R
Minimum lease payments due		
- within one year	62 015	53 926
- in second to fifth year inclusive	91 821	153 836
	153 836	**207 762**

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.

NOTES TO THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

	2024 R	2023 R
17. Cash used in operations		
Surplus before taxation	1 313 216	4 617 295
Adjustments for:		
Depreciation and amortisation	210 229	232 078
Dividends received	(580 000)	(557 144)
Investment revenue	(67 053)	(168 904)
Finance costs	622	-
Impairment of related party loan	(131 738)	(392 218)
Movements in provisions	(120 890)	21 516
Derecognition of retained income for Ignition Youth Development NPC	(756 325)	-
Changes in working capital:		
Trade and other receivables	34 820	312 566
Trade and other payables	(313 855)	(2 984 379)
	(410 974)	**1 080 810**

18. 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 7 cash and cash equivalents disclosed in note 6, 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.

	2024 R	2023 R

18. Risk management (continued)

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.

19. Going concern

We draw attention to the fact that at 31 December 2024, the company made a profit of R1 313 216 (2023: R4 617 295) and that the company's current liabilities exceed its current assets by R1 095 982 (2023: R1 438 893). However, recognised in current liabilities are donations received in advance of R1 339 667 (2023: R1 147 541) as well as designated funds received of R227 601 (2023: R805 345) 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.

20. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

DETAILED INCOME STATEMENT

	Note(s)	2024 R	2023 R
Revenue			
Donations		6 991 169	10 229 195
Fundraising income		91 211	98 977
Sundry income		9 437	12 819
Specific projects income		3 035 150	6 741 218
	10	**10 126 967**	**17 082 209**
Other operating income			
Designated funds write offs		535 389	1 000
Hyde Park Mall parking income		356 551	352 450
Insurance refund		10 742	22 814
		902 682	**376 264**
Expenses (Refer to page 26)		**(10 362 864)**	**(13 567 226)**
(Deficit)/surplus	11	**666 785**	**3 891 247**
Investment revenue	12	647 053	726 048
Finance costs		(622)	-
Surplus for the year		**1 313 216**	**4 617 295**

The supplementary information presented does not form part of the abridged annual financial statements and is unaudited

DETAILED INCOME STATEMENT

	Note(s)	2024 R	2023 R
Other operating expenses			
Advertising and promotions		100 348	120 641
Auditors' remuneration	11	73 670	58 734
Bad debts		1 728	-
Bank charges		21 201	23 504
Cleaning		849	5 364
Computer expenses		35 036	16 407
Consulting fees		137 623	153 572
Courier and postage		200	-
Depreciation		210 229	232 078
Employee costs		7 656 814	8 762 404
Entertainment		6 780	15 295
Fines and penalties		9 092	-
Fund raising expenses		-	8 775
Gifts		2 973	17 071
Impairment		(131 738)	(392 218)
Insurance		131 346	120 287
Management fees		56 310	38 870
Motor vehicle expenses		42 036	197 640
Municipal expenses		24 467	24 211
Office equipment		2 576	21 614
Other expenses		6 000	-
Pest control		9 397	11 228
Printing and stationery		75 936	127 916
Project Ingition net (income) loss	13	(193 797)	200 030
Repairs and maintenance		100 251	555 790
Security		281 578	239 544
Special projects expenses		1 448 674	2 904 112
Staff welfare		7 850	16 476
Telephone		27 509	21 579
Training		7 475	5 184
Transport and freight		71 561	6 338
Travel - overseas		138 890	54 780
		10 362 864	**13 567 226**

The supplementary information presented does not form part of the abridged annual financial statements and is unaudited