



Masiphumelele Corporation (SA)

(Registration number 040-994 NPO)

Annual Financial Statements
for the year ended 31 December 2023

Masiphumelele Corporation (SA)

(Registration number: 040-994 NPO)

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To work with the people of Masiphumelele, and key partners, offering opportunities through education to help residents progress out of poverty towards a sustainable livelihood.
Office bearers	Alan McKelvey Alastair Burns Andrew Hamilton-Smith Fiona Maitland Itumeleng Pooe Jane Turner-Philippi Johanna E Taylor Keith Richardson Megan Pringle Michael Tyhali Millicent Firth Sandra Dodson Yandiswa Mazwana
Registered office	Chasmay Road Campus Chasmay Road Sunnydale South Africa 7975
Auditors	Vantage Chartered Accountants (SA) & Registered Auditors
NPO registration number	040-994 NPO
PBO reference number	930015544
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisations Act, 1997.

Masiphumelele Corporation (SA)

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Annual Financial Statements for the year ended 31 December 2023

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Office Bearers' Responsibilities and Approval

The office bearers are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in note 1 to the financial statements and the requirements of the Non-Profit Organisations Act, 1997.

The annual financial statements are prepared in accordance with the basis of accounting as set out in note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The office bearers acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the office bearers to meet these responsibilities, the office bearers sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

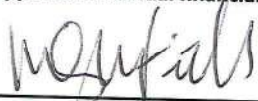
The office bearers are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The office bearers have reviewed the organisation's budget forecast and cash flow forecast for the year to 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on page 6 to 7.

The annual financial statements set out on page 8 to 20, which have been prepared on the going concern basis, were approved by the office bearers on 08 April 2024 and were signed on their behalf by:

Approval of annual financial statements



Millicent Firth



Keith Richardson

Masiphumelele Corporation (SA)

(Registration number: 040-994 NPO)

Annual Financial Statements for the year ended 31 December 2023

Office Bearers' Report

The office bearers submit their report for the year ended 31 December 2023.

1. Review of activities

Main business and operations

The organisation is engaged in working with the people of Masiphumelele and key partners, offering opportunities through education to help residents progress out of poverty towards a sustainable livelihood. and operates principally in the community of Masiphumelele.

We consider the operating results and state of affairs of the organisation, which are fully set out in these annual financial statements, to meet the above objectives comprehensively.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The office bearers are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. Office Bearers

The office bearers of the organisation during the year and to the date of this report are as follows:

Name	Office	Designation
Alan McKelvey	UK fundraising & communication	Non-executive
Alastair Burns	Finance Director	Executive
Andrew Hamilton-Smith	President	Non-executive
Fiona Maitland	Deputy managing director & ECD	Executive
Itumeleng Pooe	Director	Non-executive
Jane Turner-Philippi	US fundraising	Non-executive
Johanna E Taylor	Operations	Executive
Keith Richardson	Education & Chairperson	Non-executive
Megan Pringle	Fundraising Director	Executive
Michael Tyhali	Community liaison	Non-executive
Millicent Firth	Managing director	Executive
Sandra Dodson	Director	Non-executive
Yandiswa Mazwana	Director	Executive

5. Auditors

Vantage Chartered Accountants (SA) & Registered Auditors continued in office for the financial period.



Independent Auditor's Report

To the Office Bearers of Masiphumelele Corporation (SA)

Qualified Opinion

We have audited the annual financial statements of Masiphumelele Corporation (SA) (the organisation) set out on pages 8 to 18, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the annual financial statements of Masiphumelele Corporation (SA) for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements and the requirements of the Non-Profit Organisations Act, 1997.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to implement accounting controls over donations and grants received prior to the initial deposit into the organisation's bank account. Accordingly, we were not able to extend our examination of income beyond the receipts actually recorded, and accordingly express no opinion on the completeness of income.

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

Other Information

The office bearers are responsible for the other information. The other information comprises the information included in the document titled "Masiphumelele Corporation (SA) annual financial statements for the year ended 31 December 2023", which includes the Office Bearers' Report as required by the Non-Profit Organisations Act, 1997 and the supplementary information as set out on pages 19 to 20. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the office bearers for the Annual Financial Statements

The office bearers are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in note 1 to the annual financial statements and the requirements of the Non-Profit Organisations Act, 1997, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the office bearers determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the office bearers are responsible for assessing the organisation'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 office bearers either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report

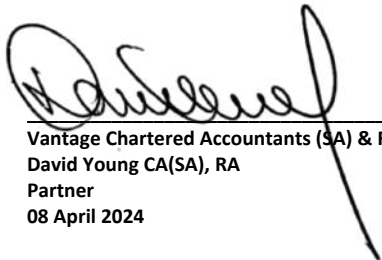
Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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

We communicate with the office bearers 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.



Vantage Chartered Accountants (SA) & Registered Auditors
David Young CA(SA), RA
Partner
08 April 2024

Masiphumelele Corporation (SA)

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Annual Financial Statements for the year ended 31 December 2023

Statement of Financial Position as at 31 December 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	3,382,716	-
Other financial assets	3	72,888	79,321
		3,455,604	79,321
Current Assets			
Inventories	4	10,430	-
Trade and other receivables	5	157,640	107,891
Cash and cash equivalents	6	15,432,595	14,912,504
		15,600,665	15,020,395
Total Assets		19,056,269	15,099,716
Equity and Liabilities			
Office Bearers' funds and reserves			
Restricted funds		5,816,757	6,091,350
Accumulated surplus		11,203,359	7,161,373
		17,020,116	13,252,723
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	1,686,667	-
Current Liabilities			
Trade and other payables	8	349,486	1,846,993
Total Liabilities		2,036,153	1,846,993
Total Equity and Liabilities		19,056,269	15,099,716

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Revenue		12,077,287	10,641,842
Other income		3,798,635	3,528,860
Operating expenses		(13,095,050)	(13,668,241)
Operating surplus		2,780,872	502,461
Investment revenue	12	1,074,351	666,099
Finance costs	13	(1,358)	(15,995)
Capital projects	14	(86,472)	(55,843)
Surplus for the year		3,767,393	1,096,722

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Statement of Changes in Reserves

Figures in Rand	Restricted donations	Accumulated surplus	Total equity
Balance at 01 January 2022	6,520,543	5,635,458	12,156,001
Surplus for the year	-	1,096,722	1,096,722
Transfers to (from) retained income	(429,193)	429,193	-
Total changes	(429,193)	429,193	-
Balance at 01 January 2023	6,091,350	7,161,373	13,252,723
Surplus for the year	-	3,767,393	3,767,393
Transfers to (from) retained income	(274,593)	274,593	-
Total changes	(274,593)	274,593	-
Balance at 31 December 2023	5,816,757	11,203,359	17,020,116

Restricted donations represent amounts specifically allocated for use during the following financial period in terms of the donor contract requirements. Frequently the periods of donor contracts do not coincide with the financial year end of the organisation.

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Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash receipts from customers		15,826,173	14,201,538
Cash paid to suppliers and employees		(14,579,053)	(13,998,104)
Cash generated from operations	16	1,247,120	203,434
Interest income		1,074,351	666,095
Finance costs		(1,358)	(15,995)
Net cash from operating activities		2,320,113	853,534
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(3,388,559)	-
Movement in other financial assets		(98,130)	(168,418)
Net cash from investing activities		(3,486,689)	(168,418)
Cash flows from financing activities			
Movement in other financial liabilities		1,686,667	-
Total cash movement for the year		520,091	685,116
Cash and cash equivalents at the beginning of the year		14,912,504	14,227,388
Total cash at end of the year	6	15,432,595	14,912,504

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Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Land and buildings are initially recognised at cost in the year acquired. They are separable assets and are accounted for separately, even when they are acquired together. Land has an unlimited useful life and is not depreciated. Buildings have a limited useful life and, as depreciable assets they are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of land and buildings 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 land and buildings, the carrying amount of the replaced part is derecognised.

All other plant and equipment, including improvements to leasehold property, is written off in full in the year the costs are incurred, and are disclosed below the net operating surplus (deficit) as capital expenditure, except in cases where capital projects undertaken by the organisation exceed an amount of R50,000.

For those capital projects capitalised, the property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

Item	Depreciation method	Average useful life
Leasehold improvements - Chasmay	Straight line	10 years
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

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.

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Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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

1.4 Tax

Tax expenses

Taxation has not been provided for as the organisation is registered as a Public Benefit Organisation and is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.

1.5 Leases

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

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

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Annual Financial Statements for the year ended 31 December 2023

Accounting Policies

1.7 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.8 Reserve funds

Reserve funds are established and separately held for particular purposes identified by the organisation, and its donors. Donations and expenditure for these purposes are maintained and funded from these reserves.

1.9 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 leave pay 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.

1.10 Government grants

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

1.11 Revenue

Revenue comprises of donations and funds received from various sources and is recognised on receipt of funds. The balance of donor funding at year end and those funds designated to particular projects in future are identified and transferred to specific reserve funds.

Receipts in a foreign currency from donors are converted into South African Rands at the spot rate on the date of receipt into the local bank account.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Annual Financial Statements for the year ended 31 December 2023

Notes to the Annual Financial Statements

Figures in Rand 2023 2022

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Land and buildings	3,330,131	-	3,330,131			
Leasehold improvements - Chasmay	58,428	(5,843)	52,585			
Total	3,388,559	(5,843)	3,382,716	-	-	-

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	-	3,330,131	-	3,330,131
Leasehold property	-	58,427	(5,842)	52,585
	-	3,388,558	(5,842)	3,382,716

Property, plant and equipment financing:

The following assets are in part financed by the financial liability detailed in note 7:

Land and buildings	3,330,131	-
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For the current year, the related property valuation had not been concluded on as at year end. However, in the medium-term the organisation will be splitting the costs of the land and buildings to disclose them separately.

Details of properties

5 Guinea Fowl Road, Sunnydale (ERF 4976, Noordhoek)

Purchase price:	2,500,000	-
Additions since purchase	830,131	-
	3,330,131	-

The organisation also occupies approximately 1.02 hectares comprising of portions of Cape Farm 945/63 and 945/5, situated on 1 Guinea Fowl Road, Sunnydale (Chasmay Campus).

The property is occupied in terms of an indefinite period lease (renewed every 10 years) with the City of Cape Town, and is used by the organisation as classrooms for the Educare Centres, for supporting various other community projects, and for its administrative offices.

The leasehold property has been improved since inception of the lease, and related costs expensed in prior years.

The organisation pays rent for the occupation of the leasehold property.

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
3. Other financial assets		
At amortised cost		
Community loans	72,888	79,321
The community loans are unsecured, interest free, and have no fixed terms of repayment.		
Non-current assets		
At amortised cost	72,888	79,321
4. Inventories		
Clothing and merchandise	10,430	-
5. Trade and other receivables		
Chasmay rental project deposits	73,477	24,035
Prepayments	84,163	33,740
Sundry receivables	-	50,116
	157,640	107,891
Outstanding educare fees and Chasmay Road rental balances are fully impaired at year end. The balance of impairments at the end of the year is R420,606 (2022: R317,012).		
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	15,422,635	14,883,073
Cash on hand	4,848	9,703
Credit card	5,112	19,728
	15,432,595	14,912,504
7. Other financial liabilities		
At amortised cost		
Property purchase commitment	1,686,667	-
The liability relates to ERF 4976, Noordhoek. Refer to note 2.		
Non-current liabilities		
At amortised cost	1,686,667	-

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Trade and other payables		
Commitment deposits - ICDL	9,440	15,780
Educare fees received in advance	19,439	17,040
Pension fund	37,870	-
Project funding received for future periods	-	1,574,399
Rental deposits	233,180	210,175
Sundry accruals	49,557	29,599
	349,486	1,846,993
9. Clothing shop surplus (deficit)		
Sales	56,920	54,300
Clothing	(314,507)	(119,467)
Closing inventory	10,430	-
	(247,157)	(65,167)
10. Municipal charges		
Electricity	146,960	-
Refuse, sewerage and water	253,114	-
Utilities (aggregate)	-	316,669
	400,074	316,669
In the prior year there was no stratification for the utility charges, thus a cumulative total is disclosed.		
11. Municipal electricity recoverable surplus (deficit)		
Electricity recoveries from tenants	113,185	88,366
Electricity paid to City of Cape Town	(146,960)	-
	(33,775)	88,366
In the prior year there was no stratification for the utility charges, thus no comparative figures are disclosed.		
12. Investment revenue		
Interest revenue		
Bank	1,074,351	666,099
13. Finance costs		
Late payment of payroll taxes	1,358	15,995
14. Capital projects		
Furniture and equipment	24,116	28,342
Computer upgrades	62,356	27,501
	86,472	55,843

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
15. Taxation		
Taxation has not been provided for as the organisation is registered as a Public Benefit Organisation and is exempt from tax in terms of section 10(1)(cN) of the Income Tax Act.		
16. Cash generated from operations		
Net surplus before taxation	3,767,393	1,096,722
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	110,406	186,817
Investment income	(1,074,351)	(666,099)
Finance costs	1,358	15,995
Changes in working capital:		
(Increase) decrease in inventories	(10,430)	-
(Increase) decrease in trade and other receivables	(49,749)	(88,631)
Increase (decrease) in trade and other payables	(1,497,507)	(341,370)
	1,247,120	203,434

Masiphumelele Corporation (SA)

(Registration number: 040-994 NPO)

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Restricted donations		8,524,399	8,796,070
Unrestricted donations		3,552,888	1,845,772
		12,077,287	10,641,842
Other income			
Clothing shop surplus (deficit)	9	(247,157)	(65,167)
Educare fees - Aftercare programme		13,200	-
Educare fees - Chasmay		701,130	679,770
Educare fees - Masiphumelele		865,570	771,040
Educare fees - Sunnydale		297,450	217,560
Government grants		653,004	599,658
ICDL tests income		27,908	24,960
Recoveries - sundry		16,650	18,450
Recoveries - tenant electricity	10 & 11	113,185	88,366
Rental income		1,357,695	1,194,223
		3,798,635	3,528,860
Expenses (Refer to page 20)		(13,095,050)	(13,668,241)
Operating surplus		2,780,872	502,461
Investment income	12	1,074,351	666,099
Finance costs	13	(1,358)	(15,995)
Capital projects	14	(86,472)	(55,843)
		986,521	594,261
Surplus for the year		3,767,393	1,096,722

Masiphumelele Corporation (SA)

(Registration number: 040-994 NPO)

Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Advertising		(78,442)	(100,642)
Audit fees		(34,040)	(31,821)
Bank charges		(85,024)	(98,447)
Communication		(125,972)	(114,207)
Community outreach		(973,660)	(819,830)
Depreciation and impairment (loans and receivables)		(110,406)	(186,817)
Employee costs		(8,272,048)	(8,089,601)
Insurance		(91,668)	(71,547)
MasiSports overseas travel		-	(43,674)
Municipal expenses	10 & 11	(400,074)	(316,669)
Printing and stationery		-	(10,097)
Professional service fees		(470,436)	(1,038,212)
Repairs and maintenance		(128,296)	(167,496)
Staff development and welfare		(11,725)	(1,478)
Student rewards		(5,198)	(2,293)
Student support		(634,892)	(566,864)
Subscriptions		(7,086)	(12,756)
Supplies and materials		(1,584,641)	(1,693,605)
Transport and travel		(81,442)	(302,185)
		(13,095,050)	(13,668,241)