

Masinyusane Development Organisation
(Registration number 074-244-NPO)
Financial statements
for the year ended March 31, 2020



Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Education, Community Development and Poverty Alleviation
Directors	I Adams J Browne C Bula N Dwayi T Gaxamba L Jayiya T Mabizela N Mgoduka A Mukhieber S Thysse
Registered office	19 Sherlock Road Richmond Hill Port Elizabeth 6001
Business address	19 Sherlock Road Richmond Hill Port Elizabeth 6001
Bankers	First National Bank
Auditors	Michael Howcroft Incorporated Chartered Accountants (SA) Registered Auditors IRBA No: 954608 81 Cape Road Mill Park Port Elizabeth 6001
Executive Member	J McKeown
Company registration number	074-244-NPO
Tax reference number	9162378187
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Nonprofit Organisations Act.
Preparer	The financial statements were internally compiled by: C. Woolard Financial Manager
Issued	June 26, 2020

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Contents

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

	Page
Directors' and Officers' Responsibilities and Approval	3
Directors' Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Financial Statements	14 - 17
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	18

Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Nonprofit Organisations Act.

Preparer

C. Woolard
Financial Manager

Published

June 26, 2020

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Directors' and Officers' Responsibilities and Approval

The directors are required by the Nonprofit Organisations Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 International Financial Reporting Standard for Small and Medium-sized Entities.

The 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 organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the organisation 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 organisation 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 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 March 31, 2021 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 financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on page 5.

The financial statements and supplementary information set out on pages 7 to 18, which have been prepared on the going concern basis, were approved by the board of directors on June 26, 2020 and were signed on its behalf by:

Approval of financial statements



J Browne



J McKeown



Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Masinyusane Development Organisation for the year ended March 31, 2020.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisations Act. 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 organisation are set out in these financial statements.

2. Directors

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

Directors

I Adams
J Browne
C Bula
N Dwayi
T Gaxamba
L Jayiya
T Mabizela
N Mgoduka
A Mukhieber
S Thyse

Nationality

South African
South African
South African
South African
South African
South African
South African
South African
South African
South African

3. Property, plant and equipment

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

4. Events after the reporting period

The directors expect a material impact on donations income as a result of the COVID-19 pandemic, the full impact of which must still be ascertained. The organisation has launched an entirely new project to fight hunger and suffering caused by the COVID-19 pandemic. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

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

6. Auditors

Michael Howcroft Incorporated continued in office as auditors for the organisation for 2020.

At the AGM, the shareholders will be requested to reappoint Michael Howcroft Incorporated as the independent external auditors of the organisation and to confirm Mr MI Howcroft as the designated lead audit partner for the 2021 financial year.

Independent Auditor's Report

To the directors of Masinyusane Development Organisation

Opinion

We have audited the financial statements of Masinyusane Development Organisation set out on pages 7 to 17, which comprise the statement of financial position as at March 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Masinyusane Development Organisation as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisations Act.

Basis for opinion

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 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 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 opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Detailed Income Statement as required by the Nonprofit Organisations Act, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intends to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

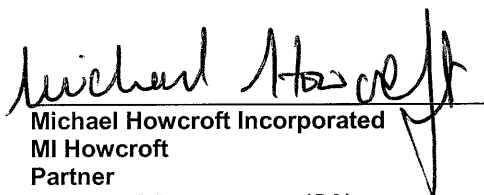
Auditors' responsibilities for the audit of the Financial Statements

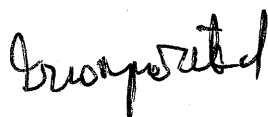
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Michael Howcroft Incorporated
MI Howcroft
Partner
Chartered Accountants (SA)
Registered Auditors
IRBA No: 954608



June 26, 2020
Port Elizabeth
81 Cape Road
Mill Park
Port Elizabeth
6001

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Statement of Financial Position as at March 31, 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	4,841,117	4,980,586
Current Assets			
Trade and other receivables	3	320,604	31,500
Cash and cash equivalents	4	3,354,895	3,212,520
		3,675,499	3,244,020
Total Assets		8,516,616	8,224,606
Equity and Liabilities			
Equity			
Retained income		4,798,439	3,703,267
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	2,250,000	2,750,000
Current Liabilities			
Trade and other payables	5	44,282	18,141
Other financial liabilities	6	500,000	500,000
Deferred income	7	923,895	1,253,198
		1,468,177	1,771,339
Total Liabilities		3,718,177	4,521,339
Total Equity and Liabilities		8,516,616	8,224,606

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue	8	8,370,843	5,011,459
Operating expenses		(7,392,467)	(4,633,810)
Operating profit	9	978,376	377,649
Investment revenue	11	116,796	241,443
Profit for the year		1,095,172	619,092
Other comprehensive income		-	-
Total comprehensive income for the year		1,095,172	619,092

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at April 1, 2018	3,084,175	3,084,175
Profit for the year	619,092	619,092
Other comprehensive income	-	-
Total comprehensive income for the year	619,092	619,092
Balance at April 1, 2019	3,703,267	3,703,267
Profit for the year	1,095,172	1,095,172
Other comprehensive income	-	-
Total comprehensive income for the year	1,095,172	1,095,172
Balance at March 31, 2020	4,798,439	4,798,439

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from operations	14	584,079	353,633
Interest income		116,796	241,443
Net cash from operating activities		700,875	595,076
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(58,500)	(3,225,000)
Cash flows from financing activities			
Proceeds from other financial liabilities		-	3,250,000
Repayment of other financial liabilities		(500,000)	-
Net cash from financing activities		(500,000)	3,250,000
Total cash movement for the year		142,375	620,076
Cash at the beginning of the year		3,212,520	2,592,444
Total cash at end of the year	4	3,354,895	3,212,520

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

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.

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

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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

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

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

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Motor vehicles	Straight line	5 years

Land is not depreciated.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

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 profit or loss 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 profit or loss when the item is derecognised.

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Accounting Policies

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

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

1.3 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 – 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.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or any other asset that it has or acquired must 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 profit or loss.

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 profit or loss.

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 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.

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Accounting Policies

1.6 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are not recognised for future operating losses.

1.7 Revenue

Donation income without future performance conditions is recognised when received and banked. If there are performance conditions, the donation income is recorded as deferred income and recognised when the performance conditions are met. Donation income is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.8 Borrowing costs

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

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Notes to the Financial Statements

Figures in Rand 2020 2019

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and Buildings	5,258,907	(616,090)	4,642,817	5,258,907	(433,145)	4,825,762
Motor vehicles	363,500	(165,200)	198,300	305,000	(150,176)	154,824
Total	5,622,407	(781,290)	4,841,117	5,563,907	(583,321)	4,980,586

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	4,825,762	-	(182,945)	4,642,817
Motor vehicles	154,824	58,500	(15,024)	198,300
	4,980,586	58,500	(197,969)	4,841,117

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	1,846,832	3,150,000	(171,070)	4,825,762
Motor vehicles	103,500	75,000	(23,676)	154,824
	1,950,332	3,225,000	(194,746)	4,980,586

Details of properties

Erf 2524, 68 Rubin Crescent, Summerstrand, Port Elizabeth

- Purchase price: 22 July 2015	2,025,000	2,025,000
- Capitalised expenditure	83,907	83,907
- Accumulated depreciation	(432,965)	(367,519)
	1,675,942	1,741,388

Erf 2532, 52 Rubin Crescent, Summerstrand, Port Elizabeth

- Purchase price: 23 July 2018	3,150,000	3,150,000
- Accumulated depreciation	(183,125)	(65,625)
	2,966,875	3,084,375

The property, 52 Rubin Crescent, Summerstrand, Port Elizabeth, is pledged as security in terms of the loan described in note 6.

3. Trade and other receivables

Prepayment	-	7,500
VAT	297,604	-
Reimbursement floats	23,000	24,000
	320,604	31,500

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>3,354,895</u>	<u>3,212,520</u>
5. Trade and other payables		
Accrued expenses	14,282	18,141
Audit fee	30,000	-
	<u>44,282</u>	<u>18,141</u>
6. Other financial liabilities		
At amortised cost		
AM Naegele & G Naegele	2,750,000	3,250,000
A loan of R3,250,000 was received from AM Naegele and G Naegele on 05 August 2018 in order to fund the acquisition of the property, 52 Rubin Crescent, Summerstrand, Port Elizabeth.		
The loan bears interest at 0% and the repayment terms in terms of the loan agreement are not explicit and the organisation has been granted flexibility in this regard. It is the organisation's intent to pay R500,000 annually in August, with a balloon payment at the end of the loan agreement.		
The property, 52 Rubin Crescent, Summerstrand, Port Elizabeth, is pledged as security for the loan.		
Non-current liabilities		
At amortised cost	<u>2,250,000</u>	<u>2,750,000</u>
Current liabilities		
At amortised cost	<u>500,000</u>	<u>500,000</u>
	<u>2,750,000</u>	<u>3,250,000</u>
7. Deferred income		
Donations	<u>923,895</u>	<u>1,253,198</u>
8. Revenue		
Donations received - South Africa	5,992,983	3,529,842
Donations received - Overseas	2,377,860	1,481,617
	<u>8,370,843</u>	<u>5,011,459</u>
9. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	<u>53,772</u>	<u>33,000</u>

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
-----------------	------	------

10. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

11. Investment revenue

Interest revenue		
Bank	116,796	89,022
Other interest	-	152,421
	<u>116,796</u>	<u>241,443</u>

12. Taxation

No provision has been made for 2020 tax as the organisation has no taxable income.

13. Auditors' remuneration

Fees	30,000	-
Adjustment for previous year	21,620	-
	<u>51,620</u>	<u>-</u>

14. Cash generated from operations

Profit before taxation	1,095,172	619,092
Adjustments for:		
Interest received	(116,796)	(241,443)
Depreciation	197,969	194,745
Changes in working capital:		
Trade and other receivables	(289,104)	(24,000)
Trade and other payables	26,141	(4,659)
Deferred income	(329,303)	(190,102)
	<u>584,079</u>	<u>353,633</u>

15. Commitments

Operating leases – as lessee (expense)

Operating lease payments represent rentals payable by the company for of its office property situated at 19 Sherlock Street, Richmond Hill, Port Elizabeth. The lease commenced on 1 July 2019 and terminates on 31 December 2020. Thereafter the lease shall continue on an annual basis. No long term contractual obligation exists at 31 March 2020.

16. Related parties

Relationships

Directors Refer to the directors' report
Members of key management - CoFounder and Managing Director J McKeown

Compensation paid to key management

J McKeown	<u>66,000</u>	<u>45,309</u>
-----------	---------------	---------------

17. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a non-executive position during the year.

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Notes to the Financial Statements

Figures in Rand

2020

2019

18. Going concern

The 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.

19. Events after the reporting period

The directors expect a material impact on donations income as a result of the COVID-19 pandemic, the full impact of which must still be ascertained. The organisation has launched an entirely new project to fight hunger and suffering caused by the COVID-19 pandemic. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Masinyusane Development Organisation

(Registration number: 074-244-NPO)

Financial Statements for the year ended March 31, 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Donations received - South Africa		5,992,983	3,529,842
Donations received - Overseas		2,377,860	1,481,617
	8	<u>8,370,843</u>	<u>5,011,459</u>
Other income			
Interest received	11	<u>116,796</u>	<u>241,443</u>
Operating expenses			
Auditors remuneration	13	(51,620)	-
Bank charges		(26,704)	(39,689)
School Partnerships - Children's education		(2,302,611)	(1,370,309)
School Partnerships - Cultural and sports clubs		(98,292)	(60,975)
School Partnerships - School renovations		(646,114)	(303,262)
School Partnerships - Nutrition and welfare		(36,121)	(73,142)
Top Learner - Masinyusane Houses of Excellence		(680,174)	(809,779)
Top Learner - Bursary Programmes		(1,343,719)	(447,042)
Top Learner - University student support		(1,267,099)	(908,445)
Top Learner - High school student support		(214,717)	(216,992)
Fundraising		(128,239)	(104,750)
Lease rentals on operating lease		(53,772)	(33,000)
Motor vehicle, printing and stationery, meetings and telephone expenses		(292,318)	(138,264)
Other expenses		(107,914)	(82,852)
Staff costs		(143,053)	(45,309)
		<u>(7,392,467)</u>	<u>(4,633,810)</u>
Profit for the year		<u>1,095,172</u>	<u>619,092</u>