



Association incorporated in terms of the Non-profit Organisation Act 71, 1997
Registration number: 056-534-NPO.

Title of Report	2020-2021 ERC-MIAG Narrative Report
Author of Report	Programme Manager: Mr. MLJ Thabethe Centre Manager: Ms EG Msiza Centre Manager: VV Ndlovu
Presenter of Report	Mr. MLJ Thabethe
Purpose of Report	To give a consolidated report for 2020 and 2021 financial years report to the AGM.
Date	01/03/2022

1. PURPOSE

To give an overview of the of the operational developments that transpired within Entokozweni Resource Centre-Miag during 2020 and 2021 financial years. To depict the form of response/intervention that the organisation gave in the light of the covid-19 pandemic and the mutli-dimensional nature of poverty that citizens found themselves in during one of the most difficult times in the history of our shores.

BACKGROUND AND DISCUSSIONS

Entokozweni Resource Centre-Miag is non-profit organisation situated in Tshwane rendering critical social services, the organisation renders services of Youth Development, Child Drop-in-Centre, Community Nutrition Development and Food Bank. The organisation prides itself in its of 15 years of existence pushing back the frontiers of poverty.

Entokozweni Resource Centre – MIAG (ERC-MIAG) signed service level agreements for the funding of the Entokozweni Tshwane Foodbank, Youth Development, Community Nutrition Development Centre operations during the 2020 and 2021 financial years and partially funding the Drop-in-Centre for purposes of its EPWP programme. Entokozweni Resource Centre-Miag was in the frontline during the hard-national lockdown enacted by President Cyril Ramaphosa in March 2020. All covid-19 protocols and good practice are adhered to in order to protect lives and ensure continued service delivery to indigent citizens and those in need of the organisation's services.

The organisation contributed massively into the mainstream economy by being an employer of choice during difficult times and realities posed by the cevid 19 pandemic, ERC-MIAG employed 41 full-time employees and created temporary work for 50 employees. The surge in staff recruitment was informed by the demand in the organisation's response to poverty

alleviation and development. The statistics of the population serviced during 2020 and 2021 financial years are found in the statistical report attached.

The organisation implemented a management system which aims to fully migrate its operations to a digital platform that can keep and protect data and the system is built in a way that ensures data integrity and reliability. This system was introduced in 2020 and has seen a huge endorsement from the Department of Social Development through funding and standardization to other NPO's in the Gauteng province. The organisation has installed a server for its data.

YDC

The Youth Development Centre (EYDC) renders the following services: Advice and referrals, Social programme, Skills Development programme, and finally, but not limited to these, Entrepreneurial programme. The YDC tackles socio-economic issues rooted in the community such as substance abuse, crime and unemployment. We strive to address these challenges which are a result of the many youth in Mamelodi who dropped out of school and result being affected by serious financial constraints or total lack thereof in their families. The youth development programme uses a development centre model which is a multipurpose centre that delivers services in a multi-faceted approach, taking into cognisance the multi-dimensional nature of poverty.

YOUTH DEVELOPMENT CONSOLIDATED 2020-2021 REPORT	Achieved to date 2020-2021	Female 2020-2021	Male 2020-2021
Advise and Referral	1108	695	413
Social Programme			
Life Skills	957	596	351
Computer Training	510	290	220
Security Training	80	45	35
Pest Control	20	5	15
Entrepreneurship	74	70	4
Exit Strategy	160	91	69
TOTAL SUMMARY	2909	1792	1107

CNDC

The Centre has become responsive to many illnesses that emanated from the community as a result of malnutrition, the Centre has introduced a nutrition programme that sees to it that the vulnerable and poor are fed nutritional food daily with an aim to audit skills that the beneficiaries possess, and the centre through its skills development programme enrolls the beneficiaries and places them into income generating programmes.

2020 to 2021 STATISTICAL CNDC REPORT

TARGET GROUPS	African	African2	REMARKS	TOTAL
	M	F		
1. Children (0 – 5 years)	117	130	Beneficiaries are mostly from Africans Townships	247
2. Children (6 – 12 years)	936	1039		1975
3. Children (13 – 18 years)	403	522		925
2. Youth (19 – 35 years)	554	954		1508
3. Adults (36 - 59 years)	589	866		1455
4. Older Persons (60 > Years)	654	1060		1714
5. Persons with disabilities	21	37		58
6. Pregnant & lactating mothers				0
7. Other (specify)	8	9	Take away	17
TOTAL	3282	4617		7899

DIC Report

The childcare centre programme is aiming at reaching developing orphans and vulnerable children. The current services enable an environment whereby children are accommodated weekdays after school and during school holidays. In the centre, children are provided with psycho-social support, care services, academic support programmes, and skills development programmes like computer skills, career guidance, life skills programmes, mentorship programme, sporting and cultural programmes. The ultimate objective of this centre is to accommodate on a full-time basis orphans and destitute children who needs care and support. The CDP (Child drop in-centre) programme focuses on children of school going age who come from child-headed families as well as those from families experiencing serious financial constraints. These children come to the centre for a meal after school as well as educational assistance. We assist with home-work; school fee payment as well as school uniform. Social skills are also offered to the children to grow as sound youth with high levels of confidence and resilient.

Entokozweni Drop-in Centre has 150 beneficiaries and 7 teachers /Volunteers.

AFFILIATES	African		Coloured		Asian		White		REMARKS	TOTAL
	M	F	M	F	M	F	M	F		
1. Children	60	90								150
2. Youth										
3. Children with disabilities										
4. Children with HIV / AIDS										
5. Other (specify)										
TOTAL	60	90								150

OBJECTIVE 1

Objective 1: To provide life skills and moral regeneration programmes to children.

ACTIVITIES	ACHIEVEMENTS	CHALLENGES	REMARKS
1. Conduct group and individual support	Empowered children who supported each other and positive with their situation/status quo.	covid-19 lockdown.	The organisational rendered this programme under strict lockdown regulations.
2. Identify challenges faced by children and their families during the home visit and refer them to organizations that can help them with their challenges like, Social Workers, Home Affairs, etc.	Challenges of birth certificates were addressed by linking parents with home affairs and children given food parcels.	Even during the crisis of covid-19, care givers continued to distribute food parcels which in the process they were exposed to the risk of the virus.	The organisational rendered this programme under strict lockdown regulations
3. Provide life skills and moral behaviour classes and workshop to children to appreciate their bodies and make choices about positive behavioural lifestyles	Children attended classes of different topics dealing with life skills and moral behaviour.	covid-19 lockdown.	The organisational rendered this programme under strict lockdown regulations

OBJECTIVE 2

Objective 2: To provide nutritional support to children.

ACTIVITIES	ACHIEVEMENTS	CHALLENGES	REMARKS
1. Provide nutritious meals to 150 children daily. Provide food parcels to Orphans and vulnerable children.	Provided nutritious meals to the beneficiaries.	Lack of funding for this programme makes it difficult to sustain it, however through individual donors the organisation was able to be consistent in feeding the beneficiaries.	The food continues to play a critical role in keeping the children healthy and sound,

OBJECTIVE 3

To provide children with basic educational support and computer training

ACTIVITIES	ACHIEVEMENTS	CHALLENGES	REMARKS
1. Offer basic computer programmes in English, Mathematics, Typing and basic Computer literacy to all children	Children who are now computer literate and are interesting in other ICT skills i.e. coding.	covid-19 lockdown	The organisation is lobbying for additional computers.
2.Assist children with remedial, homework's and establish reading groups to encourage reading culture	Children who are performing satisfactory at school and can read with understanding.	covid-19 lockdown	The constant resumption and closing of schools interrupted the programme.

BJECTIVE 4

To provide sporting and cultural programmes to children

ACTIVITIES	ACHIEVEMENTS	CHALLENGES	REMARKS
1. Offer cultural programmes like dance, traditional songs, drama, and painting	Dance group formed and drawings and paintings of different shapes	covid-19 lockdown	Due to lockdown regulations some of the items were suspended.
2.Offer different sporting codes like soccer, netball, volleyball, table tennis and indoor games like chess, table tennis, scrabble	Participated in sporting tournaments with other clubs in the community	covid-19 lockdown	With the easing of exercising regulations in alert level 3 and 2, it made it possible for these activities to take place.

The EDIC was affected by the covid-19 pandemic and had to close during the hard lockdown and level 5 lockdown regulations. Schools were closed during the pandemic and when they partly opened the organisation also partly resumed its DIC operations. However, the organisation ensured that its DIC beneficiaries receive food parcels and meals. Hunger did not close as a result of covid-19 and the organisation had to make sure that citizens, particularly children receive food.

Entokozweni Resource Centre-Miag has a football team which comprised of boys and girls' teams and it runs professionally as it participates in local and regional leagues.

In the year 2021 children come on a full-time basis at the centre, the school rotation programme for learners gave an opportunity to some learners to be assisted academically and socially on full time bases since they were not going to school. Breakfast and lunch were served to the learners.

EDIC children have performed well academically and have been promoted to the next grade albeit the challenges of learning during the pandemic and lockdown.

EDIC grade 12 learners have passed their matric and were assisted in applying to higher learning institutions, they received assistance in applying for educational aid in those institutions of higher learning. Learners who passed with low marks were advised to upgrade their results.

FOODBANK

The establishment of a food bank is a means of alleviating poverty by means of providing food parcels to indigent households. It is therefore intended for persons in such dire material need, that they are unable to meet their or their family's most elementary needs. It is designed to support persons and families over the crisis period. There needs to be a very strong element of empowerment and development to the families in order for them to actively take steps to improve their situation and to become independent. The Food Bank has a staff complement of 23 employees.

2020 ENTOKOZWENI FOODBANK DISTRIBUTION STATISTICAL REPORT																
NO	MONTHS	DISTRIBUTED FOOD PARCEL	BENEFICIARIES HOUSE HOLD MEMBERS	MALES	FEMALES	DISABILITY	CSG	FOSTER CARE	OLD AGE	youth	B	C	A	W	VEG	NUMBER OF HOUSEHOLD
1	WARROOM	7153	29696	11982	17714	174	10448	110	1317	5512	26568	1100	4	109	4672	71111
2	ART	1810	6569	2714	3855	63	2264	12	377	1860	6569	0	0	0	2399	1810
3	FESTIVE HAMPER	57738	231947	88333	143614	42111	48373	5897	17268	16191	830221	5726	0	0	32231	56839
		66701	268212	103029	165183	42348	61085	6019	18962	23563	863358	6826	4	109	39302	129760
2021 ENTOKOZWENI FOODBANK DISTRIBUTION STATISTICAL REPORT																
NO	MONTHS	DISTRIBUTED FOOD PARCEL	BENEFICIARIES HOUSE HOLD MEMBERS	MALES	FEMALES	DISABILITY	CSG	FOSTER CARE	OLD AGE	youth	B	C	A	W	VEG	NUMBER OF HOUSEHOLD
1	WARROOM	21778	51537	22301	29236	571	13869	118	3972	10501	46331	5194	0	2	9298	21707
2	ART	561	1619	759	860	16	436	7	148	480	1587	32	0	0	561	561
3	CHRISTMAS HAMPER	36274	106243	44181	61062	806	27802	291	9668	28501	93127	1532	0	210	29914	36179
4	SOLIDARITY	5680	19406	8305	11101	73	4138	98	1756	5229	19403	0	0	0	5680	5675
		64293	178805	75546	102259	1466	46245	514	15544	44711	160448	6758	0	212	45453	64122

2021 ENTOKOZWENI SOLIDARITY DISTRIBUTION STATISTICAL REPORT

NO	MONTHS	DISTRIBUTED FOOD PARCEL	BENEFICIARIES HOUSE HOLD MEMBERS	MALES	FEMALES	DISABILITY	CSG	FOSTER CARE	OLD AGE	youth	B	C	A	W	VEG	NUMBER OF HOUSEHO LD
1	JANUARY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	FEBRUARY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	MARCH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	APRIL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	MAY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	JUNE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	JULY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	AUGUST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	SEPTEMBER	2857	9942	4249	5693	43	2211	50	1016	2748	9942	0	0	0	2857	2854
10	OCTOBER	2823	9464	4056	5408	30	1927	48	740	2481	9461	0	0	0	2823	2821
11	NOVEMBER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	DECEMBER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		5680	19406	8305	11101	73	4138	98	1756	5229	19403	0	0	0	5680	5675

Highlights and Achievements

- Entokozweni Resource Centre Miag has rolled out its website that makes it easy for stakeholders to interact and sought information about services that are rendered with the organisation. www.entokozweniresourcecentremiag.org
- The organisation response strategy to Covid 19 pandemic was documented and covered by SABC news channel.
- The Entokozweni Ladies Football team took part in various leagues, one of them being SAFA Tshwane Tournament
- Entokozweni team has won Hollywood's best super league, 3 players are playing at national team under 17, 5 were promoted from Entokozweni to the national team.

Challenges

- The organisation's DIC Personnel funding from MIAG was reduced to 50% during the 2020 financial year and later lifted to 75% because of the cash flow challenges that were experienced by the church as a result of the lockdown.
- One of the employees within the organisation committed suicide in 2021 due to personal problems, the organisation fully supported the family during the time of bereavement.

Conclusion

- The total number of Youth that attended the development centre over 2 years is 2909.
- Total Number of permanent(39) and temporary staff employed over 2 years fluctuated between 15 and 30.
- Total number of jobs created 2 years is 160
- Total number of people fed over 2 years is 7899
- Total number of Food parcels distributed over 2 years is 136 674.

Report Compiled by:

Mongezi Thabethe
Programme Manager
ERC-MIAG

Entokozweni Resource Centre

Trading as

Entokozweni Resource Centre - MIAG

(Registration Number NPO 056-534)

Annual Financial Statements

for the year ended 31 December 2021



Audited Financial Statements

in compliance with the Nonprofit Organisation Act of South Africa

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

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Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	NPO 056-534
Nature of Business and Principal Activities	The non-profit organisation is a Social Developmental Hub, impacting and changing lives of people from different walks of life.
Members	Vincent Monene Nare Setati Dr Maria Seboni Elijah Ntuli Adv Martha Motsatsi Esther Mabena Busi Hoseka Lebogang Mabula Mr. S Ndlala Ms FL Monene
Registered Office	35416 Cnr Mathlare & Kokela Street Mamelodi East Pretoria Gauteng 0101
Business Address	35416 Cnr Mathlare & Kokela Street Mamelodi East Pretoria Gauteng 0101
Postal Address	P.O Box 77097 Mamelodi West Pretoria Gauteng 0101
Bankers	First National Bank
Auditors	Khulagro Inc 110 Southpansberg Drive Van Riebeeck Park Kempton Park 1619

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

Members' Responsibilities and Approval

The members are required by the Nonprofit Organisation Act of South Africa 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit organisation, and explain the transactions and financial position of the business of the non-profit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit organisation and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the non-profit organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members 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 non-profit organisation and all employees are required to maintain the highest ethical standards in ensuring the non-profit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit organisation. While operating risk cannot be fully eliminated, the non-profit 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 members 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the members have no reason to believe that the non-profit organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the non-profit organisation.

The annual financial statements have been audited by the independent auditing firm, Khulagro Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the members and committees of the members. The members believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 7 to 14, and the supplementary information set out on pages 15 to 16 which have been prepared on the going concern basis, were approved by the members and were signed on 7 June 2022 on their behalf by:



Vincent Monene



Nare Setati

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

Members' Report

The members present their report for the year ended 31 December 2021.

1. Review of activities

Main business and operations

The non-profit organisation is a Social Developmental Hub, impacting and changing lives of people from different walks of life. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

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 reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The members are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit organisation.

4. Members

The members of the non-profit organisation during the year and up to the date of this report are as follows:

Vincent Monene

Nare Setati

Dr Maria Seboni

Elijah Ntuli

Adv Martha Motsatsi

Esther Mabena

Busi Hoseka

Lebogang Mabula

Mr. S Ndlala

Ms FL Monene

5. Independent Auditors

Khulagro Inc were the independent auditors for the year under review.

Independent Auditor's Report

To the Member of Entokozweni Resource Centre

Opinion

We have audited the financial statements of Entokozweni Resource Centre set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in equity and the 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 Entokozweni Resource Centre as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 non-profit 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 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 opinion.

Other Information

The members are responsible for the other information. The other information comprises the information included in the document titled "Entokozweni Resource Centre Annual Financial Statements for the year ended 31 December 2021", which includes the Members' Report, and the statement of Members' Responsibilities and Approval as required by the Nonprofit Organisation Act of South Africa, which we obtained prior to the date of this report, and the supplementary information set out on pages 15 to 16. The 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, 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 Members for the Financial Statements

The members are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Nonprofit Organisation Act of South Africa, and for such internal control as the members determine 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 members are responsible for assessing the non-profit 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 members either intend to liquidate the non-profit organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 ISAs 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 ISAs, 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 non-profit organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 non-profit 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 non-profit 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 members 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.

Khulagro Inc

07 June 2022



Per: Millycent Mashele CA SA, CIA, RA, ACMA, CGMA, MBL
Director / Partner
Registered Auditor

110 Southpansberg Drive
Van Riebeeck Park
Kempton Park
1619

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Financial Statements for the year ended 31 December 2021

Statement of Financial Position

Figures in R

	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	4	2,436,665	1,941,924
Current assets			
Trade and other receivables	5	1,521,416	2,036,991
Cash and cash equivalents	6	3,016,719	3,131,274
Total current assets		4,538,134	5,168,266
Total assets		6,974,799	7,110,190
Equity and liabilities			
Equity			
Accumulated surplus		6,974,799	7,084,072
Liabilities			
Current liabilities			
Trade and other payables	7	0	26,118
Total equity and liabilities		6,974,799	7,110,190

Entokozweni Resource Centre

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Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

Figures in R	Notes	2021	2020
Revenue		7,725,653	7,112,212
Cost of sales		(7,707,325)	(4,714,644)
Gross surplus		18,328	2,397,568
Other income	8	2,972,146	59,823
Administrative expenses		(265,439)	(211,652)
Other expenses		(2,854,846)	(2,122,772)
(Deficit) / surplus from operating activities		(129,811)	122,967
Finance income	9	20,538	1,608
(Deficit) / surplus for the year		(109,273)	124,576

Entokozweni Resource Centre

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Financial Statements for the year ended 31 December 2021

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 January 2020	6,959,496	6,959,496
Changes in equity		
Surplus for the year	124,576	124,576
Total comprehensive income for the year	124,576	124,576
Balance at 31 December 2020	7,084,072	7,084,072
Balance at 1 January 2021	7,084,072	7,084,072
Changes in equity		
Deficit for the year	(109,273)	(109,273)
Total comprehensive income for the year	(109,273)	(109,273)
Balance at 31 December 2021	6,974,799	6,974,799

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Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in R

	Note	2021	2020
Cash flows from operations			
(Deficit) / surplus for the year		(109,273)	124,576
Adjustments to reconcile (deficit) / surplus			
Adjustments for finance income		(20,538)	(1,608)
Adjustments for decrease in trade accounts receivable		407,935	-
Adjustments for decrease in other operating receivables		107,640	-
Adjustments for increase in trade accounts payable		0	-
Adjustments for decrease in other operating payables		(26,118)	-
Adjustments for depreciation and amortisation expense		327,484	19,858
Total adjustments to reconcile (deficit) / surplus		796,403	18,250
Net cash flows from operations		687,130	142,825
Interest received		20,538	1,608
Net cash flows from operating activities		707,668	144,434
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		122,118	-
Purchase of property, plant and equipment		(944,342)	(1,961,782)
Cash flows used in investing activities		(822,224)	(1,961,782)
Net decrease in cash and cash equivalents		(114,556)	(1,817,348)
Cash and cash equivalents at beginning of the year		3,131,274	4,948,622
Cash and cash equivalents at end of the year	6	3,016,719	3,131,274

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Financial Statements for the year ended 31 December 2021

Accounting Policies

1. General information

Entokozweni Resource Centre ('the non-profit organisation') is a Social Developmental Hub, impacting and changing lives of people from different walks of life.

The non-profit organisation is incorporated as a Non-Profit Organisation and domiciled in South Africa. The address of its registered office is 35416 Cnr Mathlare & Kokela Street, Mamelodi East, Pretoria, Gauteng, 0101.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Entokozweni Resource Centre have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Nonprofit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the non-profit organisation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the members.

The non-profit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Machinery	5
Motor vehicles	5
Fixtures and fittings	5
Computer equipment	3
Kitchen equipment	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Financial Statements for the year ended 31 December 2021

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

2.2 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the non-profit organisation has complied with all attached conditions. Grants received where the non-profit organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements
 Figures in R

4. Property, plant and equipment

Balances at year end and movements for the year

Reconciliation for the year ended 31 December 2021

Balance at 1 January 2021

At cost	575,605	1,422,569	346,647	-	302,508	-	2,647,329
Accumulated depreciation	(229,519)	(378,904)	(44,665)	-	(52,317)	-	(705,405)
Carrying amount	346,086	1,043,665	301,982	-	250,191	-	1,941,924

Additions from acquisitions

Depreciation	19,643	772,898	4,215	-	134,394	13,192	944,342
Disposals	(51,723)	(216,182)	(12,441)	-	(39,560)	(7,579)	(327,484)
	(122,118)			-	-	-	(122,118)

Closing balance at 31 December 2021

At cost	300,122	2,161,817	340,219	-	395,597	250,072	3,447,826
Accumulated depreciation	(108,233)	(561,435)	(46,463)	-	(50,571)	(244,459)	(1,011,161)
Carrying amount	191,889	1,600,382	293,756	-	345,025	5,613	2,436,665

Entokozweni Resource Centre

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Financial Statements for the year ended 31 December 2021

Notes to the Financial Statements

Figures in R

2021

2020

5. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	1,417,916	1,825,851
Rent paid in advance	-	107,640
Lease deposit	103,500	103,500
	<u>1,521,416</u>	<u>2,036,991</u>

6. Cash and cash equivalents

6.1 Cash and cash equivalents included in current assets:

FNB	<u>3,016,719</u>	<u>3,131,274</u>
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6.2 Net cash and cash equivalents

Current assets	<u>3,016,719</u>	<u>3,131,274</u>
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7. Trade and other payables

Trade and other payables comprise:

Trade creditors	0	0
Other payables	-	26,118
Total trade and other payables	<u>0</u>	<u>26,118</u>

8. Other income

Other income comprises:

Sundry income	4,350	59,823
Other non-turnover item from deferred liability previous year	2,967,796	-
Total other income	<u>2,972,146</u>	<u>59,823</u>

9. Finance income

Finance income comprises:

Interest received	<u>20,538</u>	<u>1,608</u>
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Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

Detailed Income Statement

Figures in R

	Notes	2021	2020
Revenue			
Donations from MIAG		143,400	128,900
Government grant		7,582,253	6,976,363
Sale of goods		-	6,949
		7,725,653	7,112,212
Cost of sales			
Cost of projects		(3,527,222)	(1,606,967)
Employee costs - salaries		(4,180,103)	(3,107,677)
		(7,707,325)	(4,714,644)
Gross surplus		18,328	2,397,568
Other income	8		
Other income		2,967,796	-
Sundry income		4,350	59,823
		2,972,146	59,823
Administrative expenses			
Auditors remuneration - Fees		(48,349)	(47,270)
Bank charges		(24,128)	(22,051)
Computer expenses		(25,870)	(36,047)
Telecommunication		(167,093)	(106,284)
		(265,439)	(211,652)
Other expenses			
Car tracker		(19,885)	(9,315)
CCTV camera expenses		(748)	(11,250)
Cleaning		(18,256)	(11,389)
Compensation fund		-	(9,660)
DC fees		(4,000)	-
Depreciation - property, plant and equipment		(327,484)	(19,858)
Entertainment		(12,127)	(9,209)
ERC Football team		(10,195)	(1,600)
Foodbank emergencies (PPE's)		(50,177)	(56,706)
Foodbank team building		(12,736)	-
Groceries		-	(2,000)
Insurance		(171,930)	(116,588)
Kitchen expenses		(4,500)	(3,000)
Medical expense		(1,080)	-
Motor vehicle expense		(457,600)	(412,240)
Municipal charges		(210,548)	(171,302)
Operating lease expense		(1,338,834)	(1,123,212)
Printing and stationery		(82,458)	(34,380)
Repairs and maintenance		(131,491)	(130,762)
Transport & freight		(800)	(300)
		(2,854,846)	(2,122,772)

Entokozweni Resource Centre

(Registration Number NPO 056-534)

Annual Financial Statements for the year ended 31 December 2021

Detailed Income Statement

Figures in R

	Notes	2021	2020
(Deficit) / surplus from operating activities		<u>(129,811)</u>	<u>122,967</u>
Finance income	9		
Interest received		<u>20,538</u>	<u>1,608</u>
(Deficit) / surplus for the year		<u>(109,273)</u>	<u>124,576</u>