

**Qhubeka Charity NPC**  
**(Registration number 2005/012333/08)**

**Annual financial statements**  
**for the year ended 31 December 2023**

## **Qhubeka Charity NPC**

(Registration number: 2005/012333/08)

Annual Financial Statements for the year ended 31 December 2023

### **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Poverty relief for people in need through the provision of bicycles
<b>Directors</b>	A.A Fitzhenry C.J Brunsdon R.N Nkuna
<b>Registered office</b>	30 A Dias Crescent Douglasdale 2191
<b>Business address</b>	30 A Dias Crescent Douglasdale 2191
<b>Postal address</b>	Postnet suite 394 Private Bag x75 Bryanston Gauteng 2021
<b>Bankers</b>	ABSA and First National Bank Limited.
<b>Auditors</b>	Watermark Auditors Incorporated Registered Auditor
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

# **Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### **Preparer**

These financial statements were prepared under the supervision of A.A. Fitzhenry (Director)

### **Published**

01 March 2024

## **Qhubeka Charity NPC**

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### **Directors' Responsibilities and Approval**

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The directors are required by the Companies Act 71 of 2008, 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 company 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 external auditors are engaged to express an independent opinion on the annual financial statements.

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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the 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 31 December 2024 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 6 - 8.

The financial statements set out on pages 9 to 20, which have been prepared on the going concern basis, were approved by the board on 01 March 2024 and were signed on its behalf by:



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A.A. Fitzhenry



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E.J. Brunsten



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R.N. Nkuna

**Friday, 01 March 2024**

# Qhubeka Charity NPC

(Registration number: 2005/012333/08)

Annual Financial Statements for the year ended 31 December 2023

## Directors' Report

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The directors have pleasure in submitting their report on the Financial Statements of Qhubeka Charity NPC for the year ended 31 December 2023.

### 1. Nature of business

Qhubeka Charity NPC was incorporated in South Africa and is a non profit organisation engaged in poverty relief for people in need through the provision of bicycles. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

### 3. Dividends

The board do not recommend the declaration of a dividend for the year.

### 4. Directors

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

Directors	Office	Designation
A.A Fitzhenry	Chief Executive Officer	Executive
C.J Brunsden	Chairperson	Non-executive
R.N Nkuna	Other	Non-executive

### 5. Events after the reporting period

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

### 6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 7. Auditors

Watermark Auditors Incorporated continued in office as auditors for the company for 2023.

At the AGM, the shareholders will be requested to reappoint Watermark Auditors Incorporated as the independent external auditors of the company and to confirm NG Reed as the designated lead audit partner for the 2024 financial year.

### 8. Statement of disclosure to the company's auditors

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

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and

## **Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

### **Directors' Report**

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- . **Statement of disclosure to the company's auditors (continued)**
  - the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.



WATERFORD ACCOUNTING SERVICES  
(PROPRIETARY) LIMITED

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## Independent Auditor's Report

To the Shareholders of Qhubeka Charity NPC

### Opinion

We have audited the Financial Statements of Qhubeka Charity NPC (the company) set out on pages 9 to 20, which comprise the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 Qhubeka Charity NPC as at 31 December 2023, 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 Companies Act 71 of 2008.

### 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 company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of Financial Statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. 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 information included in the document titled "Qhubeka Charity NPC annual financial statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on pages 21 to 22. 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.

## **Independent Auditor's Report**

### **Responsibilities of the Directors for the Annual Financial Statements**

The directors 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 Companies Act 71 of 2008, and for such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 company 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.



**Independent Auditor's Report**

*Watermark Auditors Inc.*

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Watermark Auditors Incorporated

NG Reed

Director

Registered Auditor

01 March 2024

**Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

**Statement of Financial Position as at 31 December 2023**

	Note(s)	2023 R	2022 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 103 799	301 507
Investments in subsidiaries	3	-	100
		<u>1 103 799</u>	<u>301 607</u>
<b>Current Assets</b>			
Inventories	4	6 458 809	3 841 072
Trade and other receivables	5	315 474	811 665
Cash and cash equivalents	6	7 111 780	5 478 401
		<u>13 886 063</u>	<u>10 131 138</u>
<b>Total Assets</b>		<u>14 989 862</u>	<u>10 432 745</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		<u>12 602 166</u>	<u>8 699 609</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	129 726	256 506
Deferred Income	8	1 505 970	1 370 000
Provisions	9	752 000	106 630
		<u>2 387 696</u>	<u>1 733 136</u>
<b>Total Equity and Liabilities</b>		<u>14 989 862</u>	<u>10 432 745</u>

## **Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

### **Statement of Comprehensive Income**

	Note(s)	2023 R	2022 R
Revenue	10	15 912 743	15 055 526
Programming Expenses	11	(9 775 482)	(6 664 731)
<b>Gross profit</b>		<b>6 137 261</b>	<b>8 390 795</b>
Other income		245 199	(77 721)
Operating expenses		(2 764 594)	(3 353 952)
<b>Operating profit</b>		<b>3 617 866</b>	<b>4 959 122</b>
Investment revenue	12	284 691	80 570
<b>Surplus (deficit) for the year</b>		<b>3 902 557</b>	<b>5 039 692</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>3 902 557</b>	<b>5 039 692</b>

## **Qhubeka Charity NPC**

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### **Statement of Changes in Equity**

	<b>Retained income R</b>	<b>Total equity R</b>
<b>Balance at 01 January 2022</b>	<b>3 659 917</b>	<b>3 659 917</b>
Surplus for the year	5 039 692	5 039 692
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>5 039 692</b>	<b>5 039 692</b>
<b>Balance at 01 January 2023</b>	<b>8 699 609</b>	<b>8 699 609</b>
Surplus for the year	3 902 557	3 902 557
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3 902 557</b>	<b>3 902 557</b>
<b>Balance at 31 December 2023</b>	<b>12 602 166</b>	<b>12 602 166</b>

Note(s)

**Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

**Statement of Cash Flows**

	Notes(a)	2023 R	2022 R
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	13	1 535 812	(409 964)
Interest income		284 691	80 570
<b>Net cash from operating activities</b>		<b>1 820 503</b>	<b>(329 394)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(187 124)	(288 745)
<b>Cash flows from financing activities</b>			
<b>Total cash movement for the year</b>		<b>1 633 379</b>	<b>(618 139)</b>
Cash and cash equivalents at the beginning of the year		5 478 401	6 096 540
<b>Total cash at end of the year</b>	6	<b>7 111 780</b>	<b>5 478 401</b>

# **Qhubeka Charity NPC**

(Registration number: 2005/012333/08)

Annual Financial Statements for the year ended 31 December 2023

## **Accounting Policies**

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### **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 Companies Act 71 of 2008. 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 Significant judgements and sources of estimation uncertainty**

##### **Key sources of estimation uncertainty**

##### **Useful lives of property, plant and equipment**

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the directors determined that the useful lives of property plant and equipment is reasonable and still applicable.

##### **Provisions**

Provisions are inherently based on assumptions and estimates using the best information available. Management assess inventory and make the necessary provisions for write-downs that in their expertise is reasonable to fairly reflect inventory at year end.

The provision for warranties is based on management's judgement and expertise and is the best estimate of the potential / expected replacement of parts to bicycles in the field which can not be charged for.

#### **1.2 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.

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.

## **Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

### **Accounting Policies**

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#### **1.2 Property, plant and equipment (continued)**

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

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Motor vehicles - general	Straight line	4 years
Motor vehicles- trailers	Straight line	5 years
IT equipment - general	Straight line	3 years
IT equipment- power supply	Straight line	5 years
Warehouse equipment- general	Straight line	10 years
Warehouse equipment- moulds	Straight line	5 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 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.

#### **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 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. 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 profit or loss.

##### **Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

##### **Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

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### **Accounting Policies**

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#### **1.4 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.

#### **1.5 Impairment of assets**

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model 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 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.

#### **1.6 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. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### **1.7 Government grants**

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

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

#### **1.8 Revenue**

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding VAT and discounts.

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

#### **1.9 Borrowing costs**

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



## **Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

### **Accounting Policies**

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#### **1.10 Foreign exchange**

##### **Foreign currency transactions**

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

## Qhubeka Charity NPC

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Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

	2023	2022
	R	R

#### 2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Motor vehicles	1 422 622	(538 962)	883 660	583 499	(525 975)	57 524
IT equipment	210 372	(142 302)	68 070	350 702	(299 936)	50 766
Warehouse equipment	243 079	(91 010)	152 069	267 453	(74 236)	193 217
<b>Total</b>	<b>1 876 073</b>	<b>(772 274)</b>	<b>1 103 799</b>	<b>1 201 654</b>	<b>(900 147)</b>	<b>301 507</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Other changes, movements	Depreciation	Closing balance
Motor vehicles	57 524	839 123	-	(12 987)	883 660
IT equipment	50 766	46 956	7	(29 659)	68 070
Warehouse equipment	193 217	-	2 891	(44 039)	152 069
	<b>301 507</b>	<b>886 079</b>	<b>2 898</b>	<b>(86 685)</b>	<b>1 103 799</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	-	58 499	(975)	57 524
IT equipment	2 098	53 935	(5 267)	50 766
Warehouse equipment	52 630	176 310	(35 723)	193 217
	<b>54 728</b>	<b>288 744</b>	<b>(41 965)</b>	<b>301 507</b>

#### 3. Investments in subsidiaries

		% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Real Bicycle Co. Proprietary Limited	100 No par value shares	-	100,00 %	-	100

The carrying amounts of subsidiaries is shown at nominal cost - the subsidiary was placed in final liquidation.

#### 4. Inventories

Complete bicycles, bicycle components and accessories	6 798 740	4 043 235
	<u>6 798 740</u>	<u>4 043 235</u>
Inventories write-downs	(339 931)	(202 163)
	<u>6 458 809</u>	<u>3 841 072</u>

## Qhubeka Charity NPC

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Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

	2023 R	2022 R		
<b>5. Trade and other receivables</b>				
Trade receivables	280 356	147 492		
Provision for Bad Debt	(3 850)	(3 850)		
Prepayments	5 985	570 204		
VAT	32 983	97 819		
	<u>315 474</u>	<u>811 665</u>		
<b>6. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand	-	524		
Bank balances	7 111 780	5 477 877		
	<u>7 111 780</u>	<u>5 478 401</u>		
<b>7. Trade and other payables</b>				
Trade payables	34 608	256 506		
Accrued leave pay	95 118	-		
	<u>129 726</u>	<u>256 506</u>		
<b>8. Deferred Income</b>				
At fair value				
Deferred donation / grant income	1 505 970	1 370 000		
Current liabilities				
At fair value	<u>1 505 970</u>	<u>1 370 000</u>		
<b>9. Provisions</b>				
<b>Reconciliation of provisions - 2023</b>				
	Opening balance	Additions	Reversed during the year	Closing balance
Product warranties	-	752 000	-	752 000
Provisions for leave pay	106 630	-	(106 630)	-
	<u>106 630</u>	<u>752 000</u>	<u>(106 630)</u>	<u>752 000</u>
<b>Reconciliation of provisions - 2022</b>				
	Opening balance	Additions	Closing balance	
Provisions for leave pay	83 383	23 247	106 630	

## Qhubeka Charity NPC

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Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

	2023 R	2022 R
<b>10. Revenue</b>		
Sale of goods	23 913	15 426
Donation income - various sources	8 888 830	10 040 100
Donation income- Absa Bank Limited	7 000 000	5 000 000
	<u>15 912 743</u>	<u>15 055 526</u>
<b>11. Programming Expenses</b>		
Sale of goods		
Programming and direct project expenses	9 023 482	6 664 731
Warranty provision	752 000	-
	<u>9 775 482</u>	<u>6 664 731</u>
<b>12. Investment revenue</b>		
Interest revenue		
Bank	284 691	80 570
	<u>284 691</u>	<u>80 570</u>
<b>13. Cash generated from (used in) operations</b>		
Surplus (deficit) before taxation	3 902 557	5 039 692
Adjustments for:		
Depreciation and amortisation.	86 685	41 965
Loss on sale of assets	100	-
Movement in provisions	645 370	23 247
Deferred income	135 968	(3 772 278)
Investment income	(284 691)	(80 570)
Changes in working capital:		
Inventories	(2 617 737)	(1 577 040)
Trade and other receivables	(205 662)	931 203
Trade and other payables	(126 778)	(1 016 183)
	<u>1 535 812</u>	<u>(409 964)</u>

## Qhubeka Charity NPC

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Annual Financial Statements for the year ended 31 December 2023

### Notes to the Annual Financial Statements

	2023	2022
	R	R
<b>14. Related parties</b>		
Relationships		
Subsidiary		
Related company owned and controlled by AA Fitzhenry		
	Real Bicycle Company (Proprietary) Limited	
	Jawellnofine (Proprietary) Limited (Proprietary) Limited	
	Saint Helena Corporation South Africa (Pty) Ltd	
	Cameron Marais (Proprietary) Limited (Trading as Hotel Nieu)	
Members of key management	AA Fitzhenry	
<b>Related party balances and transactions with common controlled entities.</b>		
<b>Related party transactions</b>		
<b>Consulting / management fees paid to related parties</b>		
Jawellnofine (Proprietary) Limited (Company owned by A.A Fitzhenry)	1 269 000	1 102 476
F.S.T Phaweni	-	32 476
<b>Rent paid to related parties</b>		
Saint Helena Corporation South Africa (Pty) Ltd	244 484	-
<b>Accommodation and other related fees paid to related parties</b>		
Cameron Marais (Proprietary) Limited (Trading as Hotel Nieu)	55 687	-

#### 15. 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.

The directors are not aware of any further new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### 16. Events after the reporting period

The director is not aware of any other material event which occurred after the reporting date and up to the date of this report

#### 17. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year. Details of payments made in respect of consulting fees and fees payable to related companies of directors are disclosed in the related party note.

**Qhubeka Charity NPC**

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Annual Financial Statements for the year ended 31 December 2023

**Detailed Income Statement**

	Note(s)	2023 R	2022 R
<b>Revenue</b>			
Sale of goods		23 913	15 426
Donations Income		15 888 830	15 040 100
	10	<u>15 912 743</u>	<u>15 055 526</u>
<b>Programming Expenses</b>			
Opening stock		(4 043 235)	(2 264 032)
Purchases		(12 530 987)	(8 443 934)
Closing stock		6 798 740	4 043 235
	11	<u>(9 775 482)</u>	<u>(6 664 731)</u>
<b>Gross profit</b>		<b>6 137 261</b>	<b>8 390 795</b>
<b>Other income</b>			
Rental income		-	37 174
Other income		214 885	-
Profit and Loss on exchange differences		30 314	(114 895)
		<u>245 199</u>	<u>(77 721)</u>
<b>Expenses (Refer to page 22)</b>		<b>(2 764 594)</b>	<b>(3 353 952)</b>
<b>Operating profit</b>		<b>3 617 866</b>	<b>4 959 122</b>
Finance Costs	12	284 691	80 570
<b>Surplus for the year</b>		<b><u>3 902 557</u></b>	<b><u>5 039 692</u></b>

## Qhubeka Charity NPC

(Registration number: 2005/012333/08)

Annual Financial Statements for the year ended 31 December 2023

### Detailed Income Statement

	Note(s)	2023 R	2022 R
<b>Operating expenses</b>			
Accounting fees		98 705	71 825
Advertising		148 558	125 114
Auditors remuneration		95 400	213 447
Bank charges		48 885	38 139
Computer expenses		55 753	60 694
Consulting and professional fees		829 590	759 151
Depreciation, amortisation and impairments		86 685	41 965
Fundraising expenses		131 747	431 900
Employee costs		973 995	1 028 476
Entertainment		25 198	4 956
Bank and cash write down		955	-
Impairment of related company debtor & pre-payment		-	3 815
Insurance		42 508	33 224
Lease rentals on operating lease		(54 000)	-
Legal expenses		22 794	185 072
Motor vehicle expenses		-	3 367
Other expenses		24 101	62 048
Postage		3 212	2 565
Printing and stationery		57 196	73 693
Profit and loss on sale of assets and liabilities		100	-
Staff welfare		9 125	14 962
Subscriptions		-	7 138
Telephones and fax		54 829	70 868
Travel - local		109 258	121 533
		<b>2 764 594</b>	<b>3 353 952</b>