

**NKOSINATHI FOUNDATION OF AND FOR BLIND AND
PARTIALLY SIGHTED PEOPLE**

Registration No. 000-610

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2024**


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Approval


The annual financial statements, set out on pages 5 to 13
were approved on 28 June 2024



Chairman



Treasurer



Secretary

INDEPENDENT AUDITOR'S REPORT

To the committee of Nkosinathi Foundation of and for Blind and Partially Sighted People

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nkosinathi Foundation of and for Blind and Partially Sighted People, set out on pages 5 to 13, which comprise the statement of financial position as at 31 March 2024 and the statement of comprehensive income 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 of of Nkosinathi Foundation of and for Blind and Partially Sighted People for the year ended 31 March 2024 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the organisation's own accounting policies to satisfy the financial information needs of the committee. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The committee is responsible for the other information. The other information comprises the information included in the document titled "Nkosinathi Foundation of and for Blind and Partially Sighted People Annual Financial Statements for the year ended 31 March 2024" which includes the supplementary information set out on pages 14 and 15. 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 committee for the financial statements

The committee is responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 1 to the financial statements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the committee 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 committee are responsible for assessing the organisations'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 committee either intend to liquidate the 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee' 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 organisations'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.

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

Report on other legal and regulatory requirements

As required by section 17(2) of the Non-Profit Organisations Act No. 71 of 1997, we report that:

- a) the financial statements are in agreement with the accounting records;
- b) the accounting policies which have been applied in the preparation of the financial statements are considered to be appropriate to the business; and
- c) the provisions of the constitution of the council and of the Non-Profit Organisations Act No. 71 of 1997, in so far as they relate to financial affairs, have been complied with.

PKF(PE) Inc.

PKF (PE) Inc.
Chartered Accountants (SA)
Registered Auditors

Director: Juli-Ann du Preez CA (SA)
Registered Auditor

Date: 28 June 2024
Gqeberha

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024

	Notes	2024 R	2023 R
ASSETS			
Non-current assets			
Property, plant and equipment	2	1 410 196	776 606
Investments	3	804 799	526 557
		2 214 995	1 303 163
Current assets			
Trade and other receivables	4	23 013	10 374
Cash and cash equivalents	5	93 121	1 590 667
		116 134	1 601 041
TOTAL ASSETS		2 331 129	2 904 204
EQUITY AND LIABILITIES			
Capital and Reserves			
Accumulated funds		2 236 223	2 864 546
Current liabilities			
Trade and other payables		94 906	39 658
TOTAL EQUITY AND LIABILITIES		2 331 129	2 904 204

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	2024 R	2023 R
REVENUE		
ABC Electrical Wholesalers	4 000	-
Algoa Bay Charitable Trust	25 000	43 000
AMAVA	16 000	9 650
Barry Levin Property Group	12 500	14 400
Children's Feeding Trust	20 000	20 000
Cooper Vision	-	90 000
Department of Social Development - Social Worker Posts	363 904	175 187
E'Zethu Development Trust	482 000	-
Faith Food Distribution	-	10 000
Frank and Flo Baker Trust	12 460	8 867
GD Melhuizen	7 500	-
Gutsche Investments	5 000	-
H.A. Taylor Trust	100 000	100 000
Hi-Tech Automotive (Pty) Ltd	42 000	12 000
Independent Development Trust	462 240	292 062
JK Structures	5 000	-
LemonAid ChariTea Foundation	482 258	419 782
Maverick Trading 999 CC	10 000	-
MC Design & Contracting (Pty) Ltd	17 500	-
McDonalds	2 000	-
Medical Forum Theatre	96 800	24 000
National Lottery's Commission	-	1 398 000
Nelson Mandela Metropolitan Municipality - Grant in Aid	-	275 000
Office Automation	4 000	-
Oricol Environmental Services	20 000	35 000
P.J. Davidtz Will Trust	11 740	11 740
Retina South Africa	-	58 396
Rosser Charity Trust	36 983	24 503
S.A.N.C.B Optima College	122 200	127 018
SEESA Employment Benefits (Pty) Ltd	-	20 000
SJM Flex SA (Pty) Ltd	64 100	-
Small Business Projects	185 647	38 764
The John and Esther Ellerman Memorial Trust	56 400	48 000
Unifrax Emission Control South Africa (Pty) Ltd	77 800	106 000
VW Community Trust	5 000	-
VW Richardson Will Trust	5 994	-
	2 756 026	3 361 369
OTHER INCOME		
Donations	162 388	255 202
Interest received	88 243	32 216
Training Services	41 823	-
Subsidy	5 500	-
Refunds received	54 812	36 045
Sundry income	-	70
	352 766	323 533
	3 108 792	3 684 902
EXPENDITURE (per schedule page 14)	(3 737 115)	(2 498 429)
(DEFICIT) SURPLUS FOR YEAR *	(628 323)	1 186 473
ACCUMULATED FUNDS AT BEGINNING OF YEAR	2 864 546	1 678 073
ACCUMULATED FUNDS AT END OF YEAR	2 236 223	2 864 546

* Refer to note 8

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 R	2023 R
CASH INFLOW FROM OPERATING ACTIVITIES			
Cash generated from operations *	6	(558 383)	1 290 511
Interest received		88 243	32 216
		(470 140)	1 322 727
CASH OUTFLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(749 164)	(22 783)
Purchase of investments		(278 242)	-
Proceeds from investments		-	47 784
		(1 027 406)	25 001
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1 497 546)	1 347 728
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5	1 590 667	242 939
CASH AND CASH EQUIVALENTS AT END OF YEAR *	5	93 121	1 590 667

* Refer to note 8

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent with those of the previous year.

1.1 Revenue

Revenue comprises grants and bequests received and is accounted for when the monies are received.

1.2 Property, plant and equipment

Property, plant and equipment other than land and buildings, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis over the following years:

Motor vehicles	5 years
Office equipment	6 years
Computer equipment	3 years

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost. 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. These include trade and other receivables, loans and accounts payable.

At the end of 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 so, an impairment loss is recognised.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as instruments measured at amortised cost, 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, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

	2024 R	2023 R
2. PROPERTY, PLANT AND EQUIPMENT		
COST		
Land and buildings		
Cost	199 000	199 000
Improvements - 2000	31 780	31 780
Improvements - 2004	219 055	219 055
Improvements - 2006	18 242	18 242
Improvements - 2010	134 479	134 479
Improvements - 2018	112 223	112 223
Improvements - 2024	333 275	-
	1 048 054	714 779
Motor vehicles	662 924	301 471
Office equipment	257 615	250 191
Computer equipment	548 639	524 410
	<u>2 517 232</u>	<u>1 790 851</u>
ACCUMULATED DEPRECIATION		
Motor vehicles	367 736	301 469
Office equipment	207 890	194 514
Computer equipment	531 410	518 262
	<u>1 107 036</u>	<u>1 014 245</u>
NET BOOK VALUE		
Land and buildings	1 048 054	714 779
Motor vehicles	295 188	2
Office equipment	49 725	55 677
Computer equipment	17 229	6 148
	<u>1 410 196</u>	<u>776 606</u>
<i>Description of land and buildings:</i>		
Remainder of erven 2391 and 2392, North End, Gqeberha		
Land and buildings were acquired on 1 February 1999.		
Municipal valuation as at February 2022 R1 200 000.		
3. INVESTMENTS		
Standard Bank Money Market	<u>804 799</u>	<u>526 557</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

	2024 R	2023 R
4. TRADE AND OTHER RECEIVABLES		
VAT	<u>23 013</u>	<u>10 374</u>
5. CASH AND CASH EQUIVALENTS		
Current account - Standard Bank	93 121	1 589 770
Cash on hand	-	897
	<u>93 121</u>	<u>1 590 667</u>
6. CASH (UTILISED) GENERATED FROM OPERATIONS		
(Deficit) surplus for the year	(628 323)	1 186 473
Adjustments		
- Loss on disposal of asset	22 783	-
- Depreciation	92 789	44 777
- Interest received	(88 243)	(32 216)
	27 329	12 561
Working capital changes		
Trade and other receivables	(12 639)	81 744
Trade and other payables	55 250	9 733
	42 611	91 477
	<u>(558 383)</u>	<u>1 290 511</u>

7. TAXATION

Provision for taxation has not been made in these financial statements as the organisation is registered as a Non-Profit Organisation and is exempt from taxation.

8. DONATION RECEIVED FROM NATIONAL LOTTERY COMMISSION

The donation of R1 398 000 was received on 27 March 2023 for the funding period April 2023 to March 2024.

As a result of the timing difference between receiving the funds and incurring the related expenses, the positive cash flow of R1 290 511 in the previous year became a negative cash flow of R558 383 in the current year, as outlined in note 6.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

**9. THE FOUNDATION'S SERVICES MAY BE BROADLY CATEGORIZED
INTO FOUR PROJECTS**

The Nkosinathi Foundation places on record its thanks to the John and Esther Ellerman Memorial Trust, the Trust being the Nkosinathi Foundation's longest continual supporter of this service — having provided supports towards Rehabilitation Services for more than 30 years.

- **Urban Rehabilitation for Adults**

In this program, blind and partially sighted adults and their families are offered:

Emotional Support

- Individual counselling and Family counselling
- Rehabilitation and Peer Support Group
- Social Group Activities

Living Skills Training:

- Orientation and mobility training
- Provision of Long canes
- Adapted Skills of daily living training
- Access to Special Equipment
- Braille Literacy training
- Referrals for Audio equipment and materials
- Residual vision assessment
- Residual vision training
- Prescription of Low Vision Aids
- Access to Low Vision Aids
- Training in the use of Low Vision Aids
- Provision of food parcels when needed

This comprehensive rehabilitation service is provided by a team of professionals at the Nkosinathi Foundation premises for the required number of sessions, and / or (depending on the type of service) at the client's home or work place for the required number of sessions.

- **Rural Rehabilitation for Adults & Children**

In this program, blind and partially sighted adults and children who lose their sight, and their families are offered:

Emotional Support

- Individual counselling
- Family counselling
- Training and Support Groups
- Social Groups

Living Skills Training:

- Orientation and mobility training
- Provision of Long canes
- Adapted Skills of daily living training
- Access to Special Equipment
- Braille Literacy training
- Referrals for Audio equipment and materials

- ALL Blind Children living in rural Areas are also immediately referred to the Foundation's professionals in order to provide relevant services and ensure the blind child has access to formal education.

This comprehensive rehabilitation service is provided by Rural Rehabilitation Community Field Workers employed by the Foundation and working under the supervision of professionals of the Foundation. The services are provided in client's homes in Rural Areas in the Eastern Cape Province.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

9. THE FOUNDATION'S SERVICES MAY BE BROADLY CATEGORIZED
INTO FOUR PROJECTS (continued)

● Preparation for Employment & Tertiary Education for Blind and Partially Sighted People:

In this program, blind / partially sighted people are offered

- Computer Training using adapted software
- Electronic Low Vision Equipment (for Reading) Training for Partially Sighted people
- Orientation and Mobility Training for Blind People
- Relevant Adapted Daily Living Skills Training
- Personal Development Training
- Young adults graduating the course will receive a SETA accredited qualification

This comprehensive rehabilitation related service is provided by a team of professionals at the Foundation's premises.

● Blind Children's Rehabilitation and Development

The Foundation places special importance on delivery of rehabilitation and support services for children who lose their vision, as early intervention is crucial for the child's development.

This program offers blind children, aged 0 — 3 years and their parents:

- Hospital / home visits to the parents and child by professional staff
- Counselling and Guidance for the parents of Blind Children
- Provision of food parcels when needed
- Introduction to the stimulation group for children 0 to 3 years of age.

This program offers blind children and their parents:

- Pre School Group at Nkosinathi Foundation for children aged 1 to 8 years
- Provision of meals for the Pre School group
- Introduction to Orientation and Mobility Training for the child
- Provision of Long canes
- Introduction to Adapted Daily Skills Training for the child.
- Introduction to Braille for the child and optional for parents
- Introduction to Computers with Adapted Software for blind persons
- Low Vision Assessments and Low Vision Training for the child
- Prescription of Low Vision Aids
- Continued counselling and guidance for the parents
- Guidance and assistance with applications to Primary Schools
- School Holiday Recreational / Educational activities

This comprehensive rehabilitation and related support service is provided by a team of professionals at the Nkosinathi Foundation premises and / or (depending on the type of service) at the child's home.

● Parent Empowerment Programme

This programme aims to provide a comprehensive support and empowerment service for visually impaired children and their families, Through this design, the Foundation is able to teach parents (both sighted and visually impaired) of visually impaired children, sewing and entrepreneurial skills needed to begin their own sewing business or enter into the open labour market. The purpose of the programme is to enable the primary caregivers of the visually impaired child the skills to gain practical work experience as well as earn a stipend (employment creation) assisting parents to reach financial independence.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

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- **Low Vision Services**

Low Vision is the term used to refer to a visual impairment that is not correctable through surgery, pharmaceuticals, glasses or contact lenses. It is often characterized by partial sight, such as blurred vision, blind spots or tunnel vision, but also includes legal blindness. Low Vision can impact people of all ages but is primarily associated with older adults. This service has been re-introduced in 2024. Five staff members have been trained to be able to assist a partially sighted person with a Low Vision Functional Assessment; when performing a Low Vision Function Assessment, we look at the vision that the client has left and what is needed to assist the client to enhance that vision. At this stage our referrals our from the Eye Clinic and word of mouth. Our next step will be to create awareness of our low vision services with the Optometrists, Ophthalmologists and Retirement Villages.

SCHEDULES FOR THE YEAR ENDED - 31 MARCH 2024

	2024 R	2023 R
STAFF EXPENDITURE		
Salaries and bonuses - Professional	1 649 760	905 083
- Other (PAYE, UIF, SDL)	208 410	92 400
- Casual wages	-	9 975
Stipends	799 516	564 336
Workmen's Compensation	2 831	4 463
Momentum Health	52 000	27 754
	2 712 517	1 604 011
TRAVEL EXPENDITURE		
Accommodation	4 709	-
Motor vehicle expenses	23 096	14 519
Transport	98 225	44 867
	126 030	59 386
OFFICE EXPENDITURE		
Loss on disposal of assets	22 783	-
Cleaning material	7 667	2 530
Computer expenses	11 490	6 544
Equipment expenses	-	556
Insurance	56 795	40 896
Printing and stationery	73 323	62 137
Sundry office supplies	15 448	6 609
Title deed copy	230	-
Telephone and postage	105 099	70 818
	292 835	190 090
PREMISES		
Electricity and water	30 587	19 568
Repairs and maintenance per schedule	7 662	826
Rates, refuse and sewerage	5 185	5 370
Security (alarm)	13 991	7 587
Fire extinguishers	2 170	200
Office door repair	-	739
Electrical repairs	14 101	-
Equipment — blinds	-	6 876
	73 696	41 166
MEETINGS, FUNCTIONS AND HOUSEHOLD		
AGM	2 101	-
Sundry - members	14 769	23 649
	16 870	23 649
PROFESSIONAL SERVICES		
Audit and accountancy fees		
- Current year	14 231	13 560
Overprovision	(260)	(310)
- Other	24 120	13 910
Bank charges	23 659	23 040
	61 750	50 200
BALANCE CARRIED FORWARD	3 283 698	1 968 502

SCHEDULES FOR THE YEAR ENDED - 31 MARCH 2024

	2024 R	2023 R
BALANCE BROUGHT FORWARD	3 283 698	1 968 502
CLIENT WELFARE	121 138	47 404
SUNDRY EXPENDITURE		
Advertising	4 240	-
Public awareness	23 141	20 383
Annual fees	12 633	1 846
Depreciation	92 789	44 777
Lemon Trees	-	1 320
Gifts	1 400	504
Independent contractors	45 784	336 789
Low vision expenditure	38 454	39 621
Sewing machines held for donations for graduates	23 261	-
Sewing project material and supplies	10 918	7 020
Staff training	1 690	-
Food parcels	66 440	30 000
Workshop	11 529	263
	<u>332 279</u>	<u>482 523</u>
TOTAL EXPENDITURE	<u>3 737 115</u>	<u>2 498 429</u>
INTEREST RECEIVED		
Standard Bank — Money market	<u>88 243</u>	<u>32 216</u>
MOTOR VEHICLES		
Cost		
2011 Ford Figo	115 771	115 771
2016 Ford Figo	185 700	185 700
2023 Mahindra SUV	361 453	-
	<u>662 924</u>	<u>301 471</u>
Accumulated depreciation	<u>(367 736)</u>	<u>(301 469)</u>
	<u>295 188</u>	<u>2</u>
REPAIRS AND MAINTENANCE - PREMISES		
Plumbing	154	826
Kitchen door repairs	859	-
Painting supplies	1 951	-
Computer room	876	-
Window repairs	324	-
Shelves	935	-
Doors lockset	157	-
Gazebo repairs	293	-
Gate and gate remote	2 113	-
	<u>7 662</u>	<u>826</u>