

Skateistan South Africa
Annual Financial Statements
for the year ended 31 December 2019

Audited Financial Statements

in compliance with Non profit organisation Act of South Africa

Prepared by: Anne Fargeas

Title: Finance Director

Reviewed by: Thamani Assurance Inc

Professional designation: Registered Auditors

Skateistan South Africa

Annual Financial Statements for the year ended 31 December 2019

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Skateistan South Africa

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	132-083 NPO
Nature of Business and Principal Activities	Non-profit organisation
Members	Mbalikayise Mthethwa Vuyolwetu Cekiso Ayanda Mnyandu (Resigned 28 February 2020)
Office Bearers	S Adams S Nair (Chairperson) J Korac N Mashaba P Mpoza
Registered Office	32 Van Beek Street New Doorenfontein Johannesburg South Africa 2043
Business Address	32 Van Beek Street New Doorenfontein Johannesburg South Africa 2043
Postal Address	PO Box 33249 Jeppestown Johannesburg South Africa 2043
Bankers	First National Bank

Skateistan South Africa

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Management Committee' Responsibilities and Approval

The management committee is required by the Non profit organisation Act of South Africa to maintain adequate accounting records and is 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 is based upon appropriate accounting policies consistently applied throughout the non-profit organisation and supported by reasonable and prudent judgements and estimates.

The management committee 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 management committee to meet these responsibilities, the management committee 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 management committee is of the opinion, based on the information and explanations given by management and the external auditors, 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 management committee 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, Thamani Assurance Inc, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the office bearers, the management committee and committees of the management committee. The management committee 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 20, and the supplementary information set out on pages 21 to 22 which have been prepared on the going concern basis, were approved by the management committee and were signed on 30 April 2020 on their behalf by:



Mbalikayise Mthethwa



Vuyolwetu Cekiso

Skateistan South Africa

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Management Committee' Report

The management committee present their report for the year ended 31 December 2019.

1. Review of activities

Main business and operations

The principal activity of the non-profit organisation is skateistan runs programs within our skate schools for children aged 5-17: outreach, dropping in, skate and create, back to school and youth leadership. 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 Finance Officer, Ayanda Mnyandu, was a member of the management committee for the reporting period ending 31 December 2019. He has subsequently resigned on the 29th of February 2020. He was not be part of the management committee that approved the financial statement. This is a non-adjusting event and does not have an impact on the financial statements presented.

4. Management Committee

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

Mbalikayise Mthethwa

Vuyolwetu Cekiso

Ayanda Mnyandu (resigned)

5. Independent Auditors

Thamani Assurance Inc were the independent auditors for the year under review.

Independent Auditor's Report

To the Office Bearers of Skateistan South Africa

Opinion

We have audited the financial statements of Skateistan South Africa set out on pages 7 to 20, which comprise the statement of financial position as at 31 December 2019, 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 Skateistan South Africa as at 31 December 2019, 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 Non profit 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The management committee are responsible for the other information. The other information comprises the information included in the document titled "Skateistan South Africa Annual Financial Statements for the year ended 31 December 2019", which includes the Management Committee' Report as required by the Non profit organisation Act of South Africa, and the supplementary information 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.

Directors: Abed Tau CA(SA) RA, Address: 4 Rutland Avenue,
Nathan Maduna CA(SA) RA Craighall Park, Gauteng, 2194
IRBA Practice No.: 950358-000 Website: www.thamanisi.co.za
Email: info@thamanisi.co.za

Responsibilities of the Management Committee for the Financial Statements

The management committee 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 Non profit organisation Act of South Africa, and for such internal control as the management 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 management committee 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 management committee 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 management committee.
- Conclude on the appropriateness of the management 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 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 management 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.

Thamani Assurance Inc

04 May 2020



Nathan Maduna

**Engagement partner
CA(SA), RA**

**4 Rutland Avenue
Craighall Park
Randburg
2196**

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Statement of Financial Position

Figures in R

Notes 2019 2018

Assets

Non-current assets

Property, plant and equipment	4	6,856,637	7,662,094
Loan to group entity	7	1,295,043	14,264
Total non-current assets		8,151,680	7,676,358

Current assets

Trade and other receivables	6	26,081	37,241
Cash and cash equivalents	8	681,237	817,980
Total current assets		707,318	855,221

Total assets

8,858,998 **8,531,579**

Equity and liabilities

Equity

Retained income		8,283,235	7,914,980
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Liabilities

Current liabilities

Trade and other payables	12	201,342	84,682
Deferred income	13	374,421	531,917
Total current liabilities		575,763	616,599

Total liabilities

575,763 **616,599**

Total equity and liabilities

8,858,998 **8,531,579**

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

Figures in R

	Notes	2019	2018
Revenue	14	5,949,793	5,003,116
Other income		132,480	-
Administrative expenses		(548,286)	(123,042)
Other expenses		(5,164,383)	(4,570,978)
Other gains and (losses)		(1,349)	(29,264)
Profit from operating activities	15	368,255	279,832
Profit for the year		368,255	279,832

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

Figures in R	Retained income	Total
Balance at 1 March 2017	7,635,148	7,635,148
Changes in equity		
Profit for the year	279,832	279,832
Total comprehensive income	279,832	279,832
Balance at 31 December 2018	7,914,980	7,914,980
Balance at 1 January 2019	7,914,980	7,914,980
Changes in equity		
Profit for the year	368,255	368,255
Total comprehensive income	368,255	368,255
Balance at 31 December 2019	8,283,235	8,283,235

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

Figures in R

Note 2019 2018

Cash flows from operations

Profit for the year 368,255 279,832

Adjustments to reconcile profit

Adjustments for (increase) / decrease in trade accounts receivable (20,851) 793,473

Adjustments for decrease in other operating receivables 32,011 -

Adjustments for decrease in trade accounts payable - (237,287)

Adjustments for increase in other operating payables 116,660 -

Adjustments for decrease in deferred income (157,496) -

Adjustments for depreciation and amortisation expense 842,769 845,849

Adjustments for gains and losses on foreign exchange realised in profit or loss 1,349 29,264

Total adjustments to reconcile profit 814,442 1,431,299

Net cash flows from operations 1,182,697 1,711,131

Foreign exchange gains and losses on statement of financial position items (1,349) (29,264)

Cash flows used in investing activities

Proceeds from sales of property, plant and equipment 32,200 -

Purchase of property, plant and equipment (69,512) (85,734)

Repayments of cash advances and loans made to other parties received - (863,182)

Purchase of other financial assets (1,280,779) -

Cash flows used in investing activities (1,318,091) (948,916)

Net (decrease) / increase in cash and cash equivalents (136,743) 732,951

Cash and cash equivalents at beginning of the year 817,980 85,030

Cash and cash equivalents at end of the year 8 681,237 817,981

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Financial Statements for the year ended 31 December 2019

Accounting Policies

1. General information

The principal activity of the non-profit organisation is to programs within our skate schools for children aged 5-17: outreach, dropping in, skate and create, back to school and youth leadership.

The non-profit organisation is incorporated as a Non-profit organisation and domiciled in South Africa. The address of its registered office is 32 Van Beek Street, New Doorenfontein, Johannesburg, South Africa, 2043.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Skateistan South Africa have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Non profit 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 Foreign currency translation

Functional and presentation currencies

The financial statements have been presented in South African Rand. The functional currency of the non-profit organisation is Souther African Rand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains – net'.

2.2 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 management committee.

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 profit or loss during the period in which they are incurred.

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Accounting Policies

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

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
Buildings	10 years
Leasehold improvements	5 years
Skateboard Ramp/ Sport Equipment	10 years
Motor vehicles	5 years
Fixtures and fittings	3 years
IT & Multimedia Equipment	3 years

Land is not depreciated

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.

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.

2.3 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

2.4 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Accounting Policies

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

2.5 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

2.6 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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Financial Statements for the year ended 31 December 2019

Accounting Policies

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

2.7 Impairment of non-financial assets other than inventories

Other non-financial assets consist of various payments that have been made in advance for goods and services to be received in future. Other non-financial assets are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

3.1 Critical accounting estimates and assumptions

The non-profit organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1 Revenue recognition

Grants 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. Grants received are included in 'other income' in profit or loss.

Donations are recognised as revenue on receipt.

Donations in kind are measured at fair value of the donated items received.

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Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

4. Property, plant and equipment

4.1 Balances at year end and movements for the year

	Land	Buildings	Leasehold improvements	Skate	Motor vehicles	Fixtures and fittings	IT & Multimedia Equipment	Total
Reconciliation for the year ended 31 December 2019								
Balance at 1 January 2019								
At cost	2,280,425	7,025,987	23,000	46,344	69,000	151,188	135,291	9,731,235
Accumulated depreciation	-	(1,890,301)	(3,833)	(18,887)	(36,800)	(48,433)	(70,887)	(2,069,141)
Net book value	2,280,425	5,135,686	19,167	27,457	32,200	102,755	64,404	7,662,094
Movements for the year ended 31 December 2019								
Additions from acquisitions	-	-	-	-	-	37,150	32,362	69,512
Depreciation	-	(762,090)	(4,600)	(4,634)	-	(30,519)	(40,926)	(842,769)
Disposals	-	-	-	-	(32,200)	-	-	(32,200)
Property, plant and equipment at the end of the year	2,280,425	4,373,596	14,567	22,823	-	109,386	55,840	6,856,637
Closing balance at 31 December 2019								
At cost	2,280,425	7,025,987	23,000	46,344	-	188,337	159,954	9,724,047
Accumulated depreciation	-	(2,652,391)	(8,433)	(23,521)	-	(78,952)	(104,113)	(2,867,410)
Net book value	2,280,425	4,373,596	14,567	22,823	-	109,385	55,841	6,856,637

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

Property, plant and equipment continued...

Reconciliation for the year ended 31

December 2018

Balance at 1 March 2017

At cost	2,280,425	7,025,987		46,344	69,000	139,049	84,697	9,645,502
Accumulated depreciation		(1,128,210)		(14,253)	(23,000)	(23,235)	(34,595)	(1,223,293)
Net book value	2,280,425	5,897,777	-	32,091	46,000	115,814	50,102	8,422,209

Movements for the year ended 31

December 2018

Additions	-	-	23,000	-	-	12,140	50,594	85,734
Depreciation	-	(762,091)	(3,833)	(4,634)	(13,800)	(25,199)	(36,292)	(845,849)
Property, plant and equipment at the end of the year	2,280,425	5,135,686	19,167	27,457	32,200	102,755	64,404	7,662,094

Closing balance at 31 December 2018

At cost	2,280,425	7,025,987	23,000	46,344	69,000	151,188	135,291	9,731,235
Accumulated depreciation	-	(1,890,301)	(3,833)	(18,887)	(36,800)	(48,433)	(70,887)	(2,069,141)
Net book value	2,280,425	5,135,686	19,167	27,457	32,200	102,755	64,404	7,662,094

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Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

2019

2018

4.2 Property details

Erf 1091 New Doorefontein, with building thereon, measuring 990 square metres

- Purchase price : 6 December 2016

- Additions since purchase

2019

2018

2,257,200

2,257,200

7,049,212

7,049,212

9,306,412

9,306,412

5. Financial assets

5.1 Carrying amount of financial assets by category

	Debt instruments at amortised cost
Year ended 31 December 2019	
Loan to group entity (Note 7)	1,295,043
Trade and other receivables excluding non-financial assets (Note 6)	26,081
Cash and cash equivalents (Note 8)	681,237
	2,002,361

6. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	26,081	5,230
Prepaid expenses	-	9,440
Grant Receivable	-	22,571
Total trade and other receivables	26,081	37,241

7. Loan to group entity

Loan to group entity comprise the following balances

Skateistan gGmbH	1,295,043	14,264
Represents funds held by Skateistan headquarter on behalf of the organisation and various expenses paid on behalf of the organisation. Funds are transferred to organisation as needed to cover cost of operations. The receivables amount is €82 536,22 (2018 - €863)		

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in R

2019

2018

8. Cash and cash equivalents

Cash and cash equivalents comprise:

Cash

Cash on hand	712	1,936
Balances with banks	680,525	816,044
Total cash	681,237	817,980

Total cash and cash equivalents included in current assets

681,237 **817,980**

Net cash and cash equivalents

681,237 **817,980**

9. Remuneration of Management committee

	Emoluments	Medical Aid Benefits	Total
Ayanda Mnyandu	199,975	15,600	215,575
Mbalikayise Mthethwa	248,442	15,600	264,042
Vuyolwetu Cekiso	113,754	10,400	124,154
	562,171	41,600	603,771

10. Reserves

11. Reserve fund

11.1 Details of reserve fund at 31 December 2019

Major capital items	Estimated costs	Amount available for maintenance, repair and replacement	Available reserve as a percentage of estimated costs	Shortfall
Unspent Grant	1,283,066	1,283,066	100.00%	-
Capital Expenditure	5,922,657	5,922,657	100.00%	-
Free reserves	1,077,510	1,077,510	100.00%	-
	8,283,233	8,283,233	100.00%	-

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

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Reserve fund continued...

11.2 Details of reserve fund at 31 December 2018

Major capital items	Estimated costs	Amount available for maintenance, repair and replacement	Available reserve as a percentage of estimated costs	Shortfall
Unspent Grant	914,812	914,812	100.00%	-
Capital Expenditure	(760,295)	(760,295)	100.00%	-
Free reserves	143,453	143,453	100.00%	-
Use of unspent grants from prior year	(18,138)	(18,138)	100.00%	-
	<u>279,832</u>	<u>279,832</u>	<u>100.00%</u>	<u>-</u>

12. Trade and other payables

Trade and other payables comprise:

Accrued liabilities	201,342	84,682
Total trade and other payables	<u>201,342</u>	<u>84,682</u>

13. Deferred income

Deferred income comprise:

Amounts received in advance	374,421	531,917
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14. Revenue

14.1 Revenue comprises:

Grants	4,264,118	4,191,257
General Donations	1,421,857	604,363
Donation in Kind	263,818	207,496
Total revenue	<u>5,949,793</u>	<u>5,003,116</u>

Skateistan South Africa

Financial Statements for the year ended 31 December 2019

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Revenue continued...

14.2 Grants received from (repaid to):

Skateistan gGmbH	-	1,555,000
Skateistan gGmbH/Jocknick Foundation	2,096,730	1,400,000
Skateistan USA	1,227,530	-
Skateistan gGmbH/Google	698,910	587,540
Foundation Insolite Batisseur Phillipe Romero	46,479	-
Sports for Social Change Network	10,000	-
Canadian High Comission	1,027	27,513
Laurels	150,000	-
Comic Relief	33,442	524,030
Brititsh Airways	-	96,982
Embassy of Switzerland	-	54,435
Danish Embassy	-	(54,243)
	4,264,118	4,191,257

15. Profit from operating activities

Profit from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	842,769	845,849
Leases - operating lease minimum lease rentals	-	12,886
Employee Benefits expenses	3,269,625	2,795,297
Auditors remuneration - fees	94,376	101,234

16. Foreign exchange gains and losses

Foreign exchange gains and losses recognised comprise:

Amounts recognised in profit or loss	(1,349)	(29,264)
Total foreign exchange gains and losses	(1,349)	(29,264)

17. 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.

Skateistan South Africa

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

Figures in R	Notes	2019	2018
Revenue	14		
Donation in kind		263,818	207,496
Donations		1,421,857	604,363
Grant Income		4,264,118	4,191,257
Total revenue		5,949,793	5,003,116
Other income			
Other income		132,480	-
Total other income		132,480	-
Administrative expenses			
Admin and management fees paid to head office		(428,559)	-
Auditors remuneration - fees		(94,376)	(101,234)
Bank charges		(16,655)	(16,161)
Telephone and fax		(8,696)	(5,647)
Total administrative expenses		(548,286)	(123,042)
Other expenses			
Accommodation		(17,242)	(60,287)
Cleaning		(73,197)	(50,535)
Consumables		-	(1,667)
Depreciation - property, plant and equipment		(842,769)	(845,849)
Donated goods		(56,322)	-
Electricity and water		(94,698)	(41,518)
Emergency student supply		(2,255)	(2,359)
Employee costs - salaries		(3,269,625)	(2,795,297)
Events		(6,608)	(7,909)
Fuel		(7,671)	(31,718)
Gain or loss on disposal of asset		(11,700)	-
Government compliance		(480)	(565)
Insurance		(53,222)	(64,397)
Internet subscription		(57,951)	(20,629)
Learning supplies		(68,491)	(96,406)
Legal expense		-	(115)
MEL		(941)	(19,672)
Municipal charges		(455)	(1,772)
Printing and stationery		(43,254)	(32,444)
Rental expense		-	(12,886)
Repairs and maintenance		(38,526)	(21,904)
Security		(233,691)	(225,918)
Staff development		(144,484)	(45,641)
Transport		(58,361)	(22,026)
Travel - local		-	(207)
Travel - overseas		(76,211)	(163,136)
Visa & Work permits		(6,229)	(6,121)
Total other expenses		(5,164,383)	(4,570,978)

Skateistan South Africa

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

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Notes 2019 2018

Other gains and losses

Forex gain or loss - non-cash assets

(1,349) (29,264)

Total other gains and losses

(1,349) (29,264)

Profit from operating activities

15 368,255 279,832

Profit for the year

368,255 279,832