

PROCHORUS COMMUNITY DEVELOPMENT NPC
(Registration number 2008/012209/08)

AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 2023



Prochorus Community Development NPC

(Registration Number 2008/012209/08)

Annual Financial Statements for the year ended 31 December 2023

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Prochorus Community Development NPC

(Registration Number 2008/012209/08)

Annual Financial Statements for the year ended 31 December 2023

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2008/012209/08
Nature of Business and Principal Activities	The non-profit company does community development for poor and needy persons along with anti-poverty initiatives, which include the provision of facilities for protection and care of children under school going age of poor and needy parents. The promotion of community based projects relating to self-help, empowerment, capacity building, skills development of anti-poverty; educational enrichment, academic support, supplementary tuition or outreach programs for the poor and needy To redress the social imbalances in society and to meet the needs and concerns of the local community.
Directors	A van der Merwe GJ Adema H Oostenbrink JP Scannell
Registered Office	89 Swartbooi Street Kayamandi Stellenbosch 7602
Business Address	Portion 8 Bergzicht Plaza C/o Andringa and Crozier Street Stellenbosch 7600
Postal Address	Po Box 3374 Matieland 7602
Bankers	Nedbank
NPO Registration number	086-767
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Chartered Accountants CA(SA)	Carina Odendaal



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Annual Financial Statements for the year ended 31 December 2023

Directors' Responsibilities and Approval

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit company 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 non-profit company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit 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 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 directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the non-profit company.

The annual financial statements set out on pages 7 to 15, and the supplementary information set out on pages 16 to 17 which have been prepared on the going concern basis, were approved by the directors and were signed on 28 June 2024 on their behalf by:



A van der Merwe



GJ Adema



H Oostenbrink



JP Scannell

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Annual Financial Statements for the year ended 31 December 2023

Directors' Report

The directors present their report for the year ended 31 December 2023.

1. Review of activities

Main business and operations

Prochorus Community Development (NPC) was incorporated in South Africa with interests in the non-profit industry. 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. Events after reporting date

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

3. Directors

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

H Oostenbrink

JP Scannell

A van der Merwe

GJ Adema

4. Auditors

Carina Odendaal continued in office as auditor for the company for 2023.

5. Report on legal and regulatory requirements

The non-profit company has complied with the provisions of the Non Profit Organisations Act and its Memorandum of Incorporation which relates to financial matters.

The directors believe that there are adequate financial resources to meet the immediate financial needs of the organisation despite the uncertainty created by the conflict in Europe and local economic challenges. The directors are satisfied that the organisation has sufficient committed funds to continue as a going concern. The directors are not aware of any material non-compliance with statutory or regulatory requirements that may affect the organisation.



Geoktrooieerde Rekenmeester (SA)
Chartered Accountant (SA)

D7 Octo Place, Technopark
Stellenbosch 7600
Posbus / PO Box 760
Stellenbosch 7599

Tel: 083 703 3295
carina.odendaal@croweza.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PROCHORUS COMMUNITY DEVELOPMENT (NPC)

Opinion

I have audited the financial statements of Prochorus Community Development (NPC) set out on pages 7 to 15, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Prochorus Community (NPC) as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act, 71 of 2008.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the company 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. I have fulfilled my 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 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Prochorus Community Development (NPC) 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 Detailed Statement of Financial Performance, which I obtained prior to the date of this report. Other information does not include the financial statements and my auditor's report thereon.

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

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



Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for SME's 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 trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

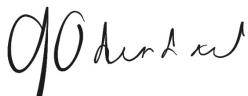
Auditor's responsibilities for the audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of my 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 a 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.

I 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 I identify during my audit.



CARINA ODENDAAL
Registered Accountant and Auditor
Chartered Accountant (SA)

Somerset West

14 August 2024



Prochorus Community Development NPC

(Registration Number 2008/012209/08)

Financial Statements for the year ended 31 December 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	2	<u>1,555,169</u>	<u>1,320,910</u>
Current assets			
Trade and other receivables	3	17,247	20,963
Loans to directors, managers and employees	4	21,929	10,000
Cash and cash equivalents	5	<u>527,159</u>	<u>846,120</u>
Total current assets		<u>566,335</u>	<u>877,083</u>
Total assets		<u>2,121,504</u>	<u>2,197,993</u>
Equity and liabilities			
Equity			
Retained Income		877,971	938,580
Reserves		<u>1,210,004</u>	<u>1,210,004</u>
Total equity		<u>2,087,975</u>	<u>2,148,584</u>
Liabilities			
Non-current liabilities			
Other financial liabilities	7	<u>19,779</u>	<u>38,012</u>
Current liabilities			
Trade and other payables	6	<u>13,750</u>	<u>11,397</u>
Total liabilities		<u>33,529</u>	<u>49,409</u>
Total equity and liabilities		<u>2,121,504</u>	<u>2,197,993</u>



Financial Statements for the year ended 31 December 2023

Figures in R

Figures in R	Notes	2023	2022
Donations and Project income received	8	2,681,392	2,536,568
Recoveries	9	75,306	71,370
Other expenses		(3,060,606)	(2,899,355)
Deficit from operating activities		(303,908)	(291,417)
Finance income	10	23,316	5,963
Finance costs	11	(1,217)	(1,200)
Deficit for the year		(281,809)	(286,654)

~~And Memo~~

Frank

Adena

Westland

Prochorus Community Development NPC

(Registration Number 2008/012209/08)

Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

Figures in R	Revaluation surplus	Retained Income	Total
Balance at 1 January 2022	1,006,004	1,225,234	2,231,238
Changes in equity			
Deficit for the year	-	(286,654)	(286,654)
Total comprehensive income for the year	-	(286,654)	(286,654)
Revaluation Reserve	204,000		204,000
Balance at 31 December 2022	1,210,004	938,580	2,148,584
Balance at 1 January 2023	1,210,004	938,580	2,148,584
Changes in equity			
Deficit for the year	-	(281,809)	(281,809)
Total comprehensive income for the year	-	(281,809)	(281,809)
Increase from depreciation allowance	-	221,200	221,200
Revaluation Reserve	-	-	-
Balance at 31 December 2023	1,210,004	877,971	2,087,975



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Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

Figures in R

Note

2023

2022

Cash flows used in operations

Cash receipts from customers

2,760,414

2,559,725

Cash paid to suppliers and employees

(3,023,573)

(2,661,211)

Net cash flows used in operations

(263,159)

(101,486)

Interest paid

(1,217)

(1,200)

Interest received

23,316

5,963

Net cash flows used in operating activities

(241,060)

(96,723)

Cash flows used in investing activities

Proceeds from sales of property, plant and equipment

12,615

-

Purchase of property, plant and equipment

(60,353)

(13,357)

Movement in loans to directors, managers and employees

(11,929)

(10,000)

Cash flows used in investing activities

(59,667)

(23,357)

Cash flows used in financing activities

Repayment of other financial liabilities

(18,233)

(20,970)

Cash flows used in financing activities

(18,233)

(20,970)

Net decrease in cash and cash equivalents

(318,960)

(141,050)

Cash and cash equivalents at beginning of the year

846,120

987,173

Cash and cash equivalents at end of the year

5

527,160

846,123






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Financial Statements for the year ended 31 December 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements of Prochorus Community Development NPC have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 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.

1.1 Property, plant and equipment

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

The non-profit company 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 company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

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

Asset class	Useful life / depreciation rate
Buildings	10 years / Straight line
Fixtures and fittings	6-10 years / Straight line
Office equipment	3 years / Straight line
Other equipment	5-6 years / Straight line

1.2 Financial instruments

Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

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Financial Statements for the year ended 31 December 2023

Accounting Policies

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

1.3 Tax

No provision has been made for 2023 tax as the company is an approved Public Benefit Organisation in terms of section 30 of the Income Tax Act and the receipts and accruals are exempt from Income Tax in terms of section 10(1)(cN) of the Act.

1.4 Leases

Classification

A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease when it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

1.5 Provisions

Provisions for restructuring costs and legal claims are recognised when: the non-profit company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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 passage of time is recognised as interest expense.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Interest income is recognised using the effective interest method.

Revenue from donations are recognised as and when cash receipts are received in the bank account of the company.

1.7 Borrowing costs

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.



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(Registration Number 2008/012209/08)

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in R

2023

2022

2. Property, plant and equipment

Balances at year end and movements for the year

	Buildings	Fixtures and fittings	Office equipment	Other fixed asset	Total
Reconciliation for the year ended 31 December 2023					
Balance at 1 January 2023					
At cost	1,624,442	7,000	17,189	85,282	1,733,913
Accumulated depreciation	(333,354)	(6,998)	(4,573)	(68,078)	(413,003)
Carrying amount	1,291,088	2	12,616	17,204	1,320,910
Movements for the year ended 31 December 2023					
Additions from acquisitions	13,796	-	46,557	-	60,353
Depreciation	(10,562)	-	(15,518)	(8,600)	(34,680)
Increase through allowance reversal	221,200	-	-	-	221,200
Disposals	-	-	(12,615)	-	(12,615)
Property, plant and equipment at the end of the year	1,515,522	2	31,041	8,604	1,555,169
Closing balance at 31 December 2023					
At cost	1,638,238	7,000	50,390	85,282	1,780,910
Accumulated depreciation	(122,716)	(6,998)	(19,349)	(76,678)	(225,741)
Carrying amount	1,515,522	2	31,041	8,604	1,555,169

3. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	13,060	4,000
Value added tax	4,187	16,963
	17,247	20,963

4. Loans to directors, managers and employees

Loans to directors, managers and employees comprise the following balances

Staff Loans	21,929	10,000
The loans are unsecured, bear no interest and are repayable in monthly instalments.		






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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in R

2023

2022

5. Cash and cash equivalents

5.1 Cash and cash equivalents included in current assets:

Cash

Cash on hand	6,293	4,390
Balances with banks	520,866	841,730
	<u>527,159</u>	<u>846,120</u>

5.2 Net cash and cash equivalents

Current assets	<u>527,159</u>	<u>846,120</u>
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6. Trade and other payables

Trade and other payables comprise:

Provision for PAYE and UIF	<u>13,750</u>	<u>11,397</u>
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7. Other financial liabilities

Other financial liabilities comprise:

Kibwe Kids (NPC)	19,779	38,012
The loan is secured, bears interest at a fixed rate of 6% and is repayable in monthly instalments.		
	<u> </u>	<u> </u>

8. Revenue

Revenue comprises:

Donations received	2,181,207	2,236,568
Project income	500,185	300,000
Total revenue	<u>2,681,392</u>	<u>2,536,568</u>

9. Other income

Other income comprises:

Insurance income	3,587	-
Recoveries	71,719	71,370
Total other income	<u>75,306</u>	<u>71,370</u>



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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in R	2023	2022
10. Finance income		
Finance income comprises:		
Interest received	23,316	5,963
11. Finance costs		
Finance costs included in surplus or deficit:		
Interest on loans	1,217	1,200



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Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in R

Notes

2023

2022

Revenue

8

Donations Received

2,181,207

2,236,568

Project Income

500,185

300,000

2,681,392

2,536,568

Other income

9

Other Income

3,587

-

Recoveries

71,719

71,370

75,306

71,370

Other expenses (Refer below for details)

(3,060,606)

(2,899,358)

Deficit from operating activities

(303,908)

(291,420)

Finance income

10

Interest received

23,316

5,963

Finance costs

11

Interest on loans

(1,217)

(1,200)

Deficit for the year

(281,809)

(286,657)



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Annual Financial Statements for the year ended 31 December 2023

Detailed Income Statement

Figures in R

Notes

2023

2022

Accounting fees	(650)	(2,800)
Advertising	(1,848)	(7,699)
Auditors remuneration - Fees	(6,350)	(9,800)
Bank charges	(4,540)	(3,131)
Catering	(584)	(1,639)
Computer expenses	(7,904)	(18,275)
Consulting fees	(47,763)	(62,412)
Depreciation	(34,680)	(190,856)
Donations	(86,216)	(23,706)
ECD Household, food and toiletries	(45,633)	(59,689)
ECD Training cost	(710,773)	(540,213)
Employee costs - salaries	(1,422,663)	(1,259,997)
Employee costs - wages	(227,640)	(225,087)
Fines and penalties	-	(1,161)
Gifts	(3,333)	(17,352)
Insurance	(24,932)	(25,277)
Loan written off	-	(27,250)
Meeting Expenses	(6,546)	(4,475)
Minor Assets	-	(7,952)
Municipal charges	(25,253)	(28,818)
Other expenses	(71,984)	(51,543)
Printing and stationery	(34,096)	(22,187)
Repairs and maintenance	(122,000)	(70,295)
Scrapped assets	(12,615)	-
Security	(24,280)	(26,203)
Staff welfare	(33,688)	(27,217)
Subscriptions	(25,719)	(22,344)
Support a child expenses	(17,332)	(106,221)
Telecommunication	(6,349)	(5,129)
Transport	(23,970)	(15,995)
Travel - Local	(31,265)	(34,635)
	<u>(3,060,606)</u>	<u>(2,899,358)</u>