Mpilonhle Organisation

Mpilonhle 'A Good life'

Registration Number 051-766 NPO
Annual Financial Statements
For the year ended 31 December 2025

Audited Financial Statements
in compliance with the Nonprofit Organisations Act of South Africa

Mpilonhle Organisation

(Registration Number 051-766 NPO)
Annual Financial Statements for the year ended 31 December 2025

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Mpilonhle Organisation

(Registration Number 051-766 NPO)
Annual Financial Statements for the year ended 31 December 2025

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	051-766 NPO
Registration Date	22 November 2006
Nature of Business and Principal Activities	Health and Social Development
Board of Directors	Mr. Zola Vincent Madikizela Ms. Ntombikhona Mqhutywa Ms. Nomathando Pretty-Girl Mthembu Dr. Patrick Muzi Matse Dr. Michael Bennish (Ex Officio)
Business Address	Lot 33 Lower uMfolozi Mtubatuba KwaZulu-Natal 3915
Postal Address	Postnet Suite 88 Private Bag X013 KwaZulu-Natal Mtubatuba 3935
Bankers	Standard Bank
Tax Registration number.	9068736173
PAYE Registration number	7300766344
VAT Registration number	4900243223
Level of Assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa

Director's Responsibilities and Approval

The directors are required by the Nonprofit Organization Act 71 of 1997 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and businessof the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of annual financial controls established by the organisation and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of 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 levelof risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing, and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems, and ethical behavior 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. A 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 organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The annual financial statements set out on pages 8 to 16, and the supplementary information set out on page 17 which have been prepared on the going concern basis, were approved by the directors, and were signed on 28 May 2026.

Chairperson
Mr ZV Madikizela

Date: 28 May 2026

Executive Director
Dr. ML Bennish (Ex Officio)

Date: 28 May 2026

Director's Report

The directors present their report for the year ending 31 December 2025.

1. **Review of financial results and activities**

   Main business and operations

   The primary activity of the NPO is provision of health, social and educational services. There were no major changes herein during the year. The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

   The operating results and statement of financial position of the nonprofit 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 based on accounting policies applicable to a going concern.This basis presumes that funds will be available to finance future operations and that the realization 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 after 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 directors are not aware of any matter or circumstance arising from the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. **Directors**

   There have been changes in the board composition during the current financial year. A new board member was appointed on 30 July 2025.

   The directors of the NPO during the year and up to the date of this report are as follows:

Name	Position Held
Mr. Zola V Madikizela	Chairperson
Ms. Nomathando Mthembu	Secretary
Ms Ntombikhona Mqhutywa	Member
Dr. Patrick Muze Matse	Treasurer
Dr. Michael Bennish	Ex-Officio Director

Independent Auditor's Report

To the Directors of Mpilonhle Organisation

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of Mpilonhle Organisation set out on pages 8 to 17, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in funds, 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 accompanying financial statements present fairly, in all material respects, the financial position of Mpilonhle Organisation as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the entity specific financial reporting standards and the requirements of the Companies 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 company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mpilonhle Organisation Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' Report, as required by the Companies Act of South Africa. 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the entity specific financial reporting standard and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

SIA Inc.

SIA Chartered Accountants Inc.
Per: S Ismail
Director
Registered Auditors
Practice Number: 998113d
28 May 2026

132 Musgrave Road
Berea
4062

Statement of financial position

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets		**1 185 790**	**455 366**
Property Plant and Equipment	4	1 185 790	455 366
Current Assets		**335 456**	**1 634 602**
Trade and Other Receivables	*5*	97 576	105 350
Cash and Cash Equivalents	*6*	237 880	1 529 252
Total Assets		**1 521 246**	**2 089 968**
Equity and Liabilities		**1 521 246**	**2 089 968**
Accumulated surplus / (deficit)		1 521 246	2 089 968
Total Equity & Liabilities		**1 521 246**	**2 089 968**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2025	2024
Grants Received		**11 303 544**	**14 833 718**
Add: Other Income		814 025	76 310
Total Income		**12 117 570**	**14 910 028**
Operating Expenses		(12 435 919)	(16 238 358)
Profit / (Loss) Before Finance Charges		(318 350)	(1 328 330)
Finance Costs		-	-
Net Profit / (Loss) for the year		**(318 350)**	**(1 328 330)**

Statement of Changes in Funds

Figures in Rand	Accumulated surplus/ (deficit)	Total Funds
Balance at 01 January 2022	**2 620 516**	**2 620 516**
Profit / (loss) for the period	1 926 561	1 926 561
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	**1 926 561**	**1 926 561**
Balance at 31 December 2022	**4 547 077**	**4 547 077**
Profit / (loss) for the period	(1 727 649)	(1 727 649)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	**(1 727 649)**	**(1 727 649)**
Balance at 31 December 2023	**2 819 428**	**2 819 428**
Profit / (loss) for the period	(1 328 330)	(1 328 330)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	**(1 328 330)**	**(1 328 330)**
Balance at 31 December 2024	**1 491 098**	**1 491 098**
Profit / (loss) for the period	(318 350)	(318 350)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	**(318 350)**	**(318 350)**
Balance at 31 December 2025	**1 172 748**	**1 172 748**

Statement of Cash Flow

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash receipts from funders		11 303 544	14 833 718
Cash paid to suppliers and employees		(11 462 477)	(15 627 935)
Cash generated by operations		**(158 933)**	**(794 217)**
Net cash inflow from operating activities		**(158 933)**	**(794 217)**
Cash flow from investing activities			
Purchase of property, plant and equipment		(1 132 439)	-
Net cash outflow from investment activities		**(1 132 439)**	**-**
Cash flows from financing activities			
Proceeds from inflow/ (outflow) of Cash		-	196 235
Net cash inflow from financing activities		**-**	**196 235**
Net increase in cash and cash equivalents		(1 291 372)	(597 983)
Cash and cash equivalents at beginning of period		1 529 252	2 127 235
Cash and cash equivalents at end of period		**237 880**	**1 529 252**

Accounting Policies

1. General Information

Mpilonhle Organisation 'A Good Life' ('the nonprofit organisation') renders health and social youth development services.
The nonprofit organisation is incorporated as a nonprofit organisation and domiciled in South Africa. The address of its registered office is Lot 33, Lower Umfolozi, Mtubatuba, KwaZulu-Natal, 3935.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Mpilonhle 'A Good Life' have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention. 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.

2.1 Fixed Assets - Property, plant and equipment

Property consists of land and buildings. Land is carried at cost while buildings are carried at cost less depreciation.

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

Assets are written down to their recoverable amounts if the recoverable amounts are lower than the carrying amounts.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets by taking into account their residual values. The expected useful lives are:

	Years	Percentage
Motor Vehicle	4	25,00%
Fixtures and Fitting	6	16,67%
Computer Equipment	5	20,00%

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

2.2 Impairments of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss. No impairment of assets was identified during the year

Accounting Policies

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

2.3 Trade & other receivables

Trade and other receivables originated by the enterprise are classified as at fair value through profit and loss.

2.4 Cash & cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

2.5 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and;
- a reliable estimate can be made of the obligation.

2.6 Grants

Grant income is recognised in line with the conditions of the fund agreement
When a condition is attached to the grant that is for a specific purpose then these grants are recognised when the condition(s) is met. All other grants without conditions are recognised as revenue in the year that it is received.

2.7 Revenue

Revenue comprises donations, grant income and interest income
Donation and grant income are recognised when it is received.
Interest is recognised, in surplus or deficit, using the effective interest rate method.
The organisation has applied the International Financial Reporting Standard for Small and Medium-sized Entities.

3. Comparative figures

Where necessary, comparative figures have been classified to conform to change in presentation in the current year.

Notes to the Annual Financial Statements

Figures in Rand	2025			2024		
4. Property, Plant and Equipment	**Cost/ Valuation**	**Accumulated Depreciation**	**Carrying Value**	**Cost/ Valuation**	**Accumulated Depreciation**	**Carrying Value**
Motor Vehicle	965 401	772 320	193 081	965 401	579 240	386 161
Fixtures and Fitting	138 411	92 276	46 135	138 411	69 207	69 204
Computer and Equipment	1 132 440	185 866	946 574	269 728	269 727	1
	2 236 252	1 050 462	1 185 790	1 373 540	918 174	455 366
Total non current / fixed assets	2 236 252	1 050 462	1 185 790	1 373 540	918 174	455 366

Reconciliation of Property, Plant and Equipment 2025

	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
Motor Vehicle	386 161	-	-	193 080	193 081
Fixtures and Fitting	69 204	-	-	23 069	46 135
Computer and Equipment	1	1 132 439	-	185 866	946 574
	455 366	1 132 439	-	402 015	1 185 790
	455 366	1 132 439	-	402 015	1 185 790

Reconciliation of Property, Plant and Equipment 2024

	Carrying value at beginning of year	Additions	Disposals	Depreciation	Carrying value at end of year
Motor Vehicle	579 241	-	-	193 080	386 161
Fixtures and Fitting	92 273	-	-	23 069	69 204
Computer and Equipment	89 910	-	-	89 909	1
	761 424	-	-	306 058	455 366
	761 424	-	-	306 058	455 366

5. Trade and Other receivables

	97 576	105 350
VAT Refund	**97 576**	**105 350**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Cash and cash equivalents		
Cash and cash equivalents consists of cash on hand and balances with banks		
Standard Bank - Current Account	237 880	1 529 252
Bank Balance	**237 880**	**1 529 252**
7. Cash flows from operating activities		
Reconciliation of Surplus/ (Deficit) to cash generated by operations		
Surplus/ (Deficit) for the year	(318 350)	(1 328 330)
Adjusted for:		
Depreciation	402 015	306 058
Operating profit before working capital changes	**83 665**	**(1 022 272)**
Working capital changes	**(242 598)**	**(19 460)**
Decrease/ (increase) in debtors/receivables	(242 598)	(19 460)
Cash generated by operations	**(158 933)**	**(1 041 732)**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
8. Grants Received		
Global Fund to Fight HIV, Tuberculosis and Malaria via Beyond Zero	2 781 267	6 892 933
Department of Science and Innovation	2 000 000	2 825 561
Friends of Mpilonhle	4 793 120	1 855 480
Independent Development Trust	1 672 658	712 231
Department of Social Development	56 500	-
PEPFAR	-	539 039
National Lotteries Commission	-	2 008 474
	11 303 544	**14 833 718**

Detailed Income Statement

Figures in Rand	Note(s)	2025	2024
Grants Received		**11 303 544**	**14 833 718**
Global Fund to Fight HIV, Tuberculosis and Malaria via Beyond Zero		2 781 267	6 892 933
Department of Science and Innovation		2 000 000	2 825 561
Friends of Mpilonhle		56 500	1 855 480
Independent Development Trust		4 793 120	712 231
KZN Department of Health		1 672 658	-
PEPFAR		-	539 039
National Lotteries Commission		-	2 008 474
Add: Other Income		**814 025**	**76 310**
Interest received		9 997	57 910
Coastline Plumbing		12 800	18 400
Middlebury Institute - Program Support		51 118	-
Old Mutual - Insurance Claim		740 111	-
Operating Income		**12 117 570**	**14 910 028**
Operating Expenses		**(12 435 919)**	**(16 238 358)**
Subscriptions		(33 291)	(6 292)
Auditors fees		(35 000)	(33 000)
Bank Charges		(53 667)	(39 632)
Depreciation	4	(402 015)	(306 058)
Employee Costs - Salaries		(6 258 759)	(10 515 353)
Office Expenses		(2 214 637)	(2 475 030)
Other Direct Cost		(3 033 672)	(2 637 443)
Travel and Accommodation		(404 878)	(225 550)
Surplus/ (Deficit) for the year		**(318 350)**	**(1 328 330)**