SOLE Institute Non Profit Company

Trading as

SOLE Institute

(Registration Number 2019/329739/08)

Annual Financial Statements

for the year ended 31 December 2021

CFO360

Audit . Accounting . Advisory . Tax

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2019/329739/08
Nature of Business and Principal Activities	The non-profit company aims to promote educational initiatives that utilise the SOLE methodology.
Directors	VC Bolton PMJ Mojapelo T Botjie AV Colom
Registered Office	81 Westwold Way Saxonworld 2132
Business Address	81 Westwold Way Saxonworld 2132
Bankers	First National Bank
Registered Auditors	CFO360 Registered Auditors Petra Place 1018 Fredenharry Road Little Falls Roodepoort 1735

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 financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, CFO360 Registered Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the member, the directors and committees of the directors. The directors 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 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 25 April 2022 on their behalf by:

The external auditors are responsible for independently auditing and reporting on the non-profit company's annual financial statements. The annual financial statements have been examined by the non-profit company's external auditors and their unqualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 7 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 25 April 2022 on their behalf by:

VC Bolton

T Botjie

Directors' Report

The directors present their report for the year ended 31 December 2021.

1. Review of activities

Main business and operations

The non-profit company aims to promote educational initiatives that utilise the SOLE methodology. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit company 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 director is 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 company.

4. Directors

The directors of the non-profit company during the year and up to the date of this report are as follows:
VC Bolton
PMJ Mojapelo
T Botjie
AV Colom

5. Independent Auditors

CFO360 Registered Auditors were the independent auditors for the year under review.

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Independent Auditor's Report

To the Member of SOLE Institute Non Profit Company

Opinion

We have audited the financial statements of SOLE Institute Non Profit Company set out on pages 8 to 16, which comprise the statement of financial position as at 31 December 2021, 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 SOLE Institute Non Profit Company as at 31 December 2021, 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.

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 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 "Self Organised Learning Environment Institute Non Profit Company Annual Financial Statements for the year ended 31 December 2021", which includes the Directors' Report, and the statement of Directors' Responsibilities and Approval, which we obtained prior to the date of this report, and the supplementary information set out on page 17. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and 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.

Montaque B Swanepoel Hons. B Compt, CA (SA), Registered Auditor
SAICA Reg. No: 2000 2476 IRBA Reg. No: 031 464
Practice No: 998 063

In preparing the financial statements, the directors are responsible for assessing the non-profit company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the non-profit company 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 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 non-profit 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 non-profit 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.

Z Picota
Registered Auditor
CFO360 Registered Auditors

25 April 2022

Petra Place
1018 Fredenharry Road
Little Falls
Roodepoort
1735

Statement of Financial Position

Figures in R	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	3	252,444	46,290
Unlisted investments	5	2,103,632	-
Total non-current assets		**2,356,076**	**46,290**
Current assets			
Trade and other receivables	4	4,200	-
Cash and cash equivalents	6	1,370,604	228,445
Total current assets		**1,374,804**	**228,445**
Total assets		**3,730,880**	**274,735**
Equity and liabilities			
Equity			
Accumulated surplus		3,704,947	274,735
Liabilities			
Current liabilities			
Trade and other payables	7	25,933	-
Total equity and liabilities		**3,730,880**	**274,735**

Statement of Comprehensive Income

Figures in R	Notes	2021	2020
Revenue	8	6,810,928	933,218
Administrative expenses		(28,592)	(2,735)
Other expenses		(3,373,656)	(659,814)
Other gains and (losses)		(54)	-
Surplus from operating activities		**3,408,626**	**270,669**
Finance income	9	21,586	3,456
Surplus for the year		**3,430,212**	**274,125**

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 January 2020	610	610
Changes in equity		
Surplus for the year	274,125	274,125
Total comprehensive income for the year	274,125	274,125
Balance at 31 December 2020	**274,735**	**274,735**
Balance at 1 January 2021	274,735	274,735
Changes in equity		
Surplus for the year	3,430,212	3,430,212
Total comprehensive income for the year	3,430,212	3,430,212
Balance at 31 December 2021	**3,704,947**	**3,704,947**

SOLE Institute Non Profit Company

(Registration Number 2019/329739/08)
Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

Figures in R	Note	2021	2020
Cash flows from operations			
Surplus for the year		**3,430,212**	**274,125**
Adjustments to reconcile surplus			
Finance income		(21,586)	(3,456)
Trade and other receivables		5,393,437	
Adjustments for decrease in other operating receivables		161,318	-
Adjustments for increase in trade accounts payable		81,158	-
Trade and other payables		(55,225)	
Depreciation and amortisation		112,131	3,007
Adjustments for impairment losses and reversal of impairment losses recognised in surplus or deficit		(5,558,955)	-
Adjustments for unrealised foreign exchange gains and losses		-	720
Adjustments for gains and losses on foreign exchange realised in surplus or deficit		54	-
Total adjustments to reconcile surplus		**112,332**	**271**
Net cash flows from operations		**3,542,544**	**274,396**
Interest received		21,586	3,456
Net cash flows from operating activities		**3,564,130**	**277,852**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(318,285)	(49,297)
Purchase of other financial assets		(2,103,632)	-
Purchase of other financial assets		-	(720)
Cash flows used in investing activities		**(2,421,917)**	**(50,017)**
Net increase in cash and cash equivalents before effect of exchange rate changes		**1,142,213**	**227,835**
Effect of exchange rate changes on cash and cash equivalents		(54)	-
Net increase in cash and cash equivalents		**1,142,159**	**227,835**
Cash and cash equivalents at beginning of the year		228,445	611
Cash and cash equivalents at end of the year	**6**	**1,370,604**	**228,446**

Accounting Policies

1. General information

SOLE Institute Non Profit Company ('the non-profit company') aims to promote educational initiatives that utilise the SOLE methodology.

The non-profit company is incorporated as a Non-Profit Company and domiciled in South Africa.

2. Basis of preparation and summary of significant accounting policies

The financial statements of SOLE Institute Non Profit Company 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 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 company's accounting policies.

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 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.

Asset class	Useful life / depreciation rate
Leasehold improvements	1 year
Fixtures and fittings	4 Years
Computer equipment	4 Years

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.

Accounting Policies

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

2.2 Financial instruments

Loan to (from) group entity

This can include loans between holding entities, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group entity is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from group entity is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the non-profit company will not be able to collect all amounts due according to the original terms of the receivables.

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 recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.3 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.

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.

Interest income is recognised using the effective interest method.

Accounting Policies

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

Donations received

Donations are accounted for on a cash received basis and where donations have been received in kind at a value that the management committee has deemed them to be worth.

2.4 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.

Notes to the Financial Statements

Figures in R	2021	2020

3. Property, plant and equipment

Balances at year end and movements for the year

	Leasehold improvements	Fixtures and fittings	Computer equipment	Total
Reconciliation for the year ended 31 December 2021				
Balance at 1 January 2021				
At cost	-	-	49,297	**49,297**
Accumulated depreciation	-	-	(3,007)	**(3,007)**
Net book value	**-**	**-**	**46,290**	**46,290**
Movements for the year ended 31 December 2021				
Additions from acquisitions	292,525	25,760		**318,285**
Depreciation	(97,508)	(2,299)	(12,324)	**(112,131)**
Property, plant and equipment at the end of the year	**195,017**	**23,461**	**33,966**	**252,444**
Closing balance at 31 December 2021				
At cost	292,525	25,760	49,297	**367,582**
Accumulated depreciation	(97,508)	(2,299)	(15,331)	**(115,138)**
Net book value	**195,017**	**23,461**	**33,966**	**252,444**
Reconciliation for the year ended 31 December 2020				
Balance at 1 January 2020				
At cost	-	-	-	**-**
Accumulated depreciation	-	-	-	**-**
Net book value	**-**	**-**	**-**	**-**
Movements for the year ended 31 December 2020				
Additions from acquisitions	-	-	49,297	**49,297**
Depreciation	-	-	(3,007)	**(3,007)**
Property, plant and equipment at the end of the year	**-**	**-**	**46,290**	**46,290**
Closing balance at 31 December 2020				
At cost	-	-	49,298	**49,298**
Accumulated depreciation	-	-	(3,008)	**(3,008)**
Net book value	**-**	**-**	**46,290**	**46,290**

4. Trade and other receivables

Trade and other receivables comprise:

	2021	2020
Grants receivable	4,200	-

Notes to the Financial Statements

Figures in R		2021	2020
5. Unlisted investments			
Unlisted investments comprise the following balances	**Shareholding**		
Mitra Academy (Proprietary) Limited	100%	2,103,632	-
6. Cash and cash equivalents			
Cash and cash equivalents included in current assets:			
Cash			
Bank balances		1,370,604	228,445
7. Trade and other payables			
Trade and other payables comprise:			
Trade creditors		7,938	-
Accrued audit fees		17,995	-
Total trade and other payables		**25,933**	**-**
8. Revenue			
Revenue comprises:			
Donations		6,810,528	942,268
Discount received		400	(9,050)
Total revenue		**6,810,928**	**933,218**
9. Finance income			
Finance income comprises:			
Bank		21,586	3,456

Notes to the Financial Statements

Figures in R	2021	2020

10. Related party transactions

Investments	Shareholding
Mitra Academy (Proprietary) Limited	100%

Mitra Academy (Proprietary) Limited

	2021	2020
Transactions		
Revenue comprises of the following:		
Lwazi Bursaries	415,548	
Grants	401,000	
Purchases comprises of the following:		
Lwazi Bursaries	(415,548)	
Grants	(401,000)	

Detailed Income Statement

Figures in R	Notes	2021	2020
Revenue	8		
Discount received		400	(9,050)
Donations received		6,810,528	942,268
		6,810,928	**933,218**
Administrative expenses			
Auditors remuneration - Fees		(17,995)	-
Bank charges		(9,072)	(2,735)
Subscriptions and publications		(1,525)	-
		(28,592)	**(2,735)**
Other expenses			
Advertising		(4,363)	(1,329)
Bursaries		(415,548)	(171,934)
Consulting and accounting fees		(17,326)	(88,946)
Depreciation - property, plant and equipment		(112,131)	(3,007)
Employee costs - casual wages		(3,800)	-
Lease rental on operating lease		(9,475)	-
Meeting expense		(597)	(4,124)
Program supplies		(2,552,126)	(389,754)
Repairs and maintenance		(250,543)	-
Subgrant expense		733	(720)
Training and development		(7,980)	-
Utilities		(500)	-
		(3,373,656)	**(659,814)**
Other gains and losses			
Forex gain or loss - cash and cash equivalents		(54)	-
Surplus from operating activities		**3,408,626**	**270,669**
Finance income	9		
Interest received		21,586	3,456
Surplus for the year		**3,430,212**	**274,125**