Kronendal Music Academy of Hout Bay

(Registration number 060-215-NPO)
Annual Financial Statements
for the year ended 31 December 2025

General Information

Country of incorporation and domicile	South Africa
Members	G Angelucci C Campbell D Griesel C Hames J Pollok N Dube
Auditor	Temlett & Co Chartered Accountant (SA) Registered Auditor 4 Zoutman Close Hout Bay 7806
NPO registration number	060-215-NPO

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The reports and statements set out below comprise the annual financial statements presented to the members:

The following supplementary information does not form part of the annual financial statements and is unaudited:

Members' Responsibilities and Approval

The members 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 fairly present the state of affairs of the Non-Profit Organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting described in Note 1 .

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members 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 members to meet these responsibilities, the board of members sets 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 members 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 members have reviewed the Non-Profit Organisation's budget forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the Non-Profit Organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditor and their report is presented on page 5.

The annual financial statements set out on pages 4 to 13, which have been prepared on the going concern basis, were approved by the board members on 04 June 2026 and were signed on its behalf by:

Hout Bay

D Griessel

C Campbell

04 June 2026

Members' Report

The members have pleasure in submitting their report on the annual financial statements of Kronendal Music Academy of Hout Bay for the year ended 31 December 2025.

1. The Non-profit organisation

The Non-Profit Organsation was established January 2007.

2. Main business and operations

The Kronendal Music Academy of Hout Bay facilitated the training, workshops, monthly assistance and sponsorships and made it possible for 200 (2024:132) pupils to participate in musical events and training. These pupils consist of 199 (2024:131) fully funded pupils and 1 (2024:1) paying pupil.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the basis of accounting described in Note 1. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

4. Members

The members in office at the date of this report are as follows:

Members	
G Angelucci	
C Campbell	
D Griesel	
C Hames	
J Pollok	
M Weavers	Resigned 28 February 2025
E Williams	Resigned 18 March 2025
N Dube	Appointed 01 April 2025

5. Auditors

Temlett & Co continued in office as auditors for the organisation for 2025.

Temlett & Co
Chartered Accountants
Telephone: (021) 790-4871
PO Box 26932, Hout Bay 7872
Email: peter@temlettandco.co.za

Independent Auditor's Report

To the Member of Kronendal Music Academy of Hout Bay

Qualified Opinion

I have audited the annual financial statements of Kronendal Music Academy of Hout Bay (the organisation) set out on pages 7 to 13, which comprise the statement of financial position as at 31 December 2025; 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 annual financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of my report, the annual financial statements of Kronendal Music Academy of Hout Bay for the year ended 31 December 2025 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements.

Basis for Qualified 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 Annual Financial Statements section of my report. I am independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my 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). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Going Concern

I draw attention to the statement of comprehensive income, which indicates that Kronendal Music Academy of Hout Bay incurred a operating loss of R1 004 257 during the year ended 31 December 2025 and, as of that date, it relies on additional property donations to repay its property loans. This indicates that a material uncertainty exists that may cast significant doubt on the Kronendal Music Academy of Hout Bay's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Emphasis of Matter

In common with similar organisations, the Kronendal Music Academy of Hout Bay derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Kronendal Music Academy of Hout Bay, and we were not able to determine whether any adjustments might be necessary to donation revenues.

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

Responsibilities of the Trustees for the Annual Financial Statements

The members are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 to the annual financial statements and for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the members are responsible for assessing the 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 members either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual 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 annual financial statements.

I communicate with the trustees 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.

04 June 2026
Hout Bay

P Temlett
Chartered Accountant (SA)
Registered Auditor

Statement of Financial Position as at 31 December 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	13 464 062	11 090 277
Current Assets			
Trade and other receivables	3	58 796	52 500
Cash and cash equivalents	4	664 875	2 039 211
		723 671	**2 091 711**
Total Assets		**14 187 733**	**13 181 988**
Equity and Liabilities			
Equity			
Accumulated surplus		7 899 453	4 644 292
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	4 487 252	773 125
Current Liabilities			
Trade and other payables		119 180	2 743 795
Other financial liabilities	5	1 681 848	5 020 776
		1 801 028	**7 764 571**
Total Liabilities		**6 288 280**	**8 537 696**
Total Equity and Liabilities		**14 187 733**	**13 181 988**

Statement of Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	6	7 512 934	6 483 072
Cost of sales		(2 074 952)	(1 911 442)
Gross surplus		**5 437 982**	**4 571 630**
Sundry income		10 245	2 211
Operating expenses		(6 452 484)	(4 739 215)
Operating deficit		**(1 004 257)**	**(165 374)**
Investment revenue		156 393	99 415
Finance costs		(644 829)	(39 608)
Donations received i.r.o. property		4 747 854	1 099 805
Surplus for the year		**3 255 161**	**994 238**

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 January 2024	**3 650 054**	**3 650 054**
Surplus for the year	**994 238**	**994 238**
Balance at 01 January 2025	**4 644 292**	**4 644 292**
Surplus for the year	**3 255 161**	**3 255 161**
Balance at 31 December 2025	**7 899 453**	**7 899 453**

Statement of Cash Flows

	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Cash generated from operations	7	1 445 301	3 891 796
Interest income		156 393	99 415
Finance costs		(644 829)	(39 608)
Net cash from operating activities		**956 865**	**3 951 603**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 706 400)	(10 937 221)
Cash flows from financing activities			
Increase/(decrease) of other financial liabilities		375 199	5 793 901
Total cash movement for the year		**(1 374 336)**	**(1 191 717)**
Cash and cash equivalents at the beginning of the year		2 039 211	3 230 928
Total cash at end of the year	4	**664 875**	**2 039 211**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Cost includes 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the organisation.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Music equipment and other assets	Straight line	10 years
Wendy Houses	Straight line	5 years

1.2 Financial instruments

Financial instruments at cost

These include loans, trade receivables and trade payables. They are measured at cost. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

1.3 Impairment of assets

The Non-Profit Organisation assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

1.4 Income

Income is recognised at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Government grants are reflected as income in the income statement.

Fees received or receivable for lessons and donations received for pupil assistance are included in revenue.

Notes to the Annual Financial Statements

	2025 R	2024 R

2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	12 293 801	-	12 293 801	9 730 559	-	9 730 559
Furniture and fixtures	60 390	(54 444)	5 946	60 390	(52 534)	7 856
Motor vehicles	1 516 075	(745 088)	770 987	1 516 075	(519 433)	996 642
Office equipment	67 959	(63 080)	4 879	67 959	(57 400)	10 559
IT equipment	207 001	(155 746)	51 255	166 003	(123 315)	42 688
Music equipment	1 171 961	(845 579)	326 382	1 069 801	(785 002)	284 799
Wendy Houses	29 761	(19 344)	10 417	29 761	(13 392)	16 369
Other Fixed Assets	54 829	(54 434)	395	54 829	(54 024)	805
Total	**15 401 777**	**(1 937 715)**	**13 464 062**	**12 695 377**	**(1 605 100)**	**11 090 277**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	9 730 559	2 563 242	-	12 293 801
Furniture and fixtures	7 856	-	(1 910)	5 946
Motor vehicles	996 642	-	(225 655)	770 987
Office equipment	10 559	-	(5 680)	4 879
IT equipment	42 688	40 998	(32 431)	51 255
Music equipment	284 799	102 160	(60 577)	326 382
Wendy Houses	16 369	-	(5 952)	10 417
Other Fixed Assets	805	-	(410)	395
	11 090 277	**2 706 400**	**(332 615)**	**13 464 062**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Land	-	9 730 559	-	9 730 559
Furniture and fixtures	9 946	-	(2 090)	7 856
Motor vehicles	-	1 128 274	(131 632)	996 642
Office equipment	16 239	-	(5 680)	10 559
IT equipment	47 714	25 848	(30 874)	42 688
Music equipment	295 675	52 540	(63 416)	284 799
Wendy Houses	22 321	-	(5 952)	16 369
Other Fixed Assets	1 215	-	(410)	805
	393 110	**10 937 221**	**(240 054)**	**11 090 277**

Details of properties

	2025	2024
Erf 1501 Hout Bay		
79 Main Road, Hout Bay		
- Purchase price:	9 500 000	9 500 000
- Transfer costs	207 942	110 979
- Additions/Renovations since purchase	2 427 919	119 580
	12 135 861	**9 730 559**

Notes to the Annual Financial Statements

	2025 R	2024 R

3. Trade and other receivables

	2025 R	2024 R
Deposits	28 796	22 500
Other receivables	30 000	30 000
	58 796	**52 500**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025 R	2024 R
Cash on hand	108	7 040
Bank balances	664 767	2 030 671
Short-term deposits	-	1 500
	664 875	**2 039 211**

5. Other financial liabilities

	2025 R	2024 R
At amortised cost		
Toyota Financial Services	701 252	823 901
Cellphone reimbursement due to D Griesel	848	-
Property Investor Loans	5 467 000	4 970 000
	6 169 100	**5 793 901**
Non-current liabilities		
At amortised cost	4 487 252	773 125
Current liabilities		
At amortised cost	1 681 848	5 020 776
	6 169 100	**5 793 901**

6. Revenue

	2025 R	2024 R
Concerts and Soirees	1 840	51 935
Donations and grants	7 409 424	6 213 737
Fees, tours and other income	101 670	217 400
	7 512 934	**6 483 072**

7. Cash generated from operations

	2025 R	2024 R
Net surplus before taxation	3 255 161	994 238
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	332 615	240 054
Adjust for items which are presented separately:		
Investment income	(156 393)	(99 415)
Finance costs	644 829	39 608
Changes in working capital:		
(Increase) decrease in trade and other receivables	(6 296)	(7 502)
Increase (decrease) in trade and other payables	(2 624 615)	2 724 813
	1 445 301	**3 891 796**

Kronendal Music Academy of Hout Bay

(Registration number 060-215-NPO)
Annual Financial Statements for the period ended 31 December 2025

Statement of Financial Performance

	12 months ended 31 December 2025 R	12 months ended 31 December 2024 R
Revenue		
Grants		
Funder: Community Heart	69 772	44 707
Funder: Community Chest Cape Town	20 000	
Funder: Peresoft	60 000	165 000
Funder: MAID	200 000	200 000
Funder: Baragwanath	124 716	81 862
Funder: Uthando SA	140 700	133 900
Funder : Joan St Ledger	500 000	200 000
Funder: Investec		20 000
Funder: Future Growth		38 140
Funder: Nadya Cohen	5 000 000	
Funder: Nussbaum Foundation	250 000	
Funder: Khula Cape		16 500
Funder: Fuchs Foundation	10 000	10 000
Funder: MacFarlane Family Foundation	500 000	
Funder: Sony USA		557 151
Funder: San Pasqual Feduciary Trust	1 969 234	3 607 496
Funder: The Lorenzo and Stel/Chiappini Trust	75 000	30 000
Funder: New Foundation Relationships	-	47 667
Donations - Other	288 358	729 344
Donations i.r.o New Property	2 778 620	1 099 805
	12 271 033	**7 585 088**
Cost of sales		
Fees: Funded Individuals	1 516 847	1 195 673
Fees: Funded Groups	389 011	539 146
Cape Cycle Tour expenses	3 940	
Costs of Concerts & Soirees	107 025	116 663
Tour and Festival expenses	52 379	55 410
Sound & Equipment	5 750	4 550
	2 074 953	**1 911 442**
Other income		
Interest Received - Nedbank Current Acc	156 393	99 415
	10 352 474	**5 773 061**
Expenses (Refer to page 15 - 16)	**6 452 484**	**4 739 215**
Operating (Deficit) Surplus for the year	**3 899 990**	**1 033 846**
Finance Costs	-644 829	-39 608
(Deficit) Surplus for the year	**3 255 161**	**994 238**

Kronendal Music Academy of Hout Bay

(Registration number 060-215-NPO)
Annual Financial Statements for the period ended 31 December 2025

Statement of Financial Performance

	Note(s)	12 months ended 31 December 2025 R	12 months ended 31 December 2024 R
Operating Expenses			
Staff costs			
Salaries		568 512	450 953
Staff Incentives		149 960	119 115
Director's Fees		1 179 880	831 968
Casual Wages		47 183	
Head of Music		219 300	124 413
Music Course: Supervisors		94 943	80 660
Lunch Club Chef		96 000	87 120
School Bus Driver		338 762	220 705
Other Staff Costs			
Staff Development		64 295	41 279
Staff Welfare		9 949	5 606
UIF Expense		12 552	10 829
Services			
Accounting Fees		47 308	35 076
Audit Fees		29 000	31 868
Bank Charges		31 493	44 319
Consulting fees		689 892	335 705
Fundraising Costs		11 899	71 542
KMA: Instrument Repairs & Maintenance		128 471	142 904
Legal fees		24 205	
Peer Mentors		22 456	16 244
Depreciation			
Depreciation: Music Equip		60 577	63 416
Depreciation: Furniture & Fittings		1 910	2 090
Depreciation: Other		410	410
Depreciation: Office Equip		5 680	5 680
Depreciation: Wendy Houses		5 952	5 952
Depreciation: Computer Equipment		32 431	30 874
Depreciation: Motor Vehicles		225 655	131 632
Premises & Equipment Costs			
Rental - Oakburn House		120 000	327 560
Electricity & Water		114 708	77 266
Rates		34 661	
Insurance		137 004	83 237
Repairs & Maintenance		110 996	94 105
Security		25 606	10 268
Computer Expenses		17 425	6 966
House General Expenses		89 665	64 045
New Property expenses		200 384	

Supplies		
Printing & Stationery	40 144	38 964
Music Books and CDs	35 262	58 079
Food	222 389	158 410
Instrument and Accessories	291 409	46 670
African Instruments	186 224	10 374
Awards & Certificates	9 764	22 246
Music Exams & Eisteddfods	12 369	4 780
Pupil Development	5 222	3 880
Pupil Welfare	31 222	56 306
Education Fund	100 666	93 270
KMA Heroes: University Support		10 500
Zero Dropout Programme		7 785
Psycho Social Department Programmes	329 495	428 028
Communication Costs		
Internet & Email	26 932	23 415
Postage & Courier	1 695	934
Website Costs	12 097	9 589
Cellphone Expenses	22 554	17 058
Entertainment & Meeting Expenses	20 101	12 181
Advertising & Promotions	14 418	14 340
Gifts and Goodwill	24 237	23 601
Travel & Transport		
Fuel & Oil	79 161	72 441
Vehicle Maintenance	24 998	60 392
Other Vehicle Costs	7 607	8 558
Public Transport	5 394	3 607
	6 452 484	**4 739 215**