

KHANO HR SOLUTIONS (PTY) LTD

(Registration Number: 2013/208534/07)

Financial statements for the year ended 31 October 2023



KHANO HR SOLUTIONS (PTY) LTD
Financial Statements
for the year ended 31 October 2023

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Approval of financial statements

These financial statements were approved by the directors & authorised for issue on 08 November 2023.



Anderson Ramari Boo
Managing Director
29 August 2023



Happy Boo
Director
08 November 2023

KHANO HR SOLUTIONS (PTY) LTD
Financial Statements
for the year ended 31 October 2023

General information

Country of incorporation	South Africa
Reporting currency	South African Rand
Registered office	1059 Francis Baard Ground Floor, Office G001A1 Hatfield Pretoria 0083
Postal address	1059 Francis Baard Ground Floor, Office G001A1 Hatfield, Pretoria, 0083
Bankers	Std Bank
Accountants	Nsika Tax and Accounting Services (Pty Ltd)
Company registration number	2013/208534/07

KHANO HR SOLUTIONS (PTY) LTD
Financial Statements
for the year ended 31 October 2023

DIRECTORS' REPORT

The Directors of KHANO HR SOLUTIONS (PTY) LTD present their Report together with the financial statements of the company for the year ended 31 October 2023.

Main business activities

The main business activities of the company is human resources services. There has been no change in the main business activities of the company over the reporting period.

Directors Details

The following persons were directors of KHANO HR SOLUTIONS (PTY) LTD during or since the end of the financial year.

■ Anderson Ramari Booï & Happy Booï

Review of operations and financial results

The company's revenue increased by 10.3% to R11,452,669 during the financial year and the net profit decreased by 8.5% to R946,746. Net cash flow from operating activities increased by 475.6% and the company's net assets increased by 130.7% to R2,814,636.

Dividends

The company declared no dividends during the financial year (2022: R0).

Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year or since the end of the financial year.

Events arising since the end of the reporting period

The directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

KHANO HR SOLUTIONS (PTY) LTD
**Statement of comprehensive income and retained earnings
for the year ended 31 October 2023**

	Notes	2023 R	2022 R
Revenue	2	11,452,669	10,381,384
Cost of sales		(5,100,631)	(5,081,274)
Gross profit		6,352,039	5,300,110
Other income	3	8,505	18,838
Operating expenses		(5,045,467)	(3,657,490)
Accounting fees		(105,626)	(32,703)
Advertising & marketing		(69,723)	(82,217)
Bank charges		(17,969)	(14,136)
Computer expenses		(4,890)	(30,311)
Depreciation on property, plant & equipment		(47,910)	(23,902)
Entertainment		(111,860)	(22,221)
Insurance		(71,446)	(32,112)
Motor vehicle expenses		(171,936)	(118,523)
Office rent		(428,206)	(476,417)
Postage		(53,026)	(2,497)
Professional & legal fees		(186,531)	(58,757)
Salaries & wages		(2,861,507)	(2,186,329)
Subscriptions & memberships		(108,977)	(91,666)
Telephone & internet		(119,876)	(77,877)
Training		(282,736)	(219,196)
Travelling & accommodation		(53,406)	(75,406)
Utilities		(61,350)	(26,656)
Other expenses		(288,491)	(86,564)
Profit / (Loss) before interest & tax		1,315,077	1,661,458
Finance costs	4	(152)	(171,913)
Profit / (Loss) before tax	5	1,314,925	1,489,545
Income tax expense	6	(368,179)	(454,559)
Profit / (Loss) for the year		946,746	1,034,986
Retained earnings at start of year		1,218,790	0
Prior year adjustments		648,100	183,804
Retained earnings at end of year		2,813,636	1,218,790

KHANO HR SOLUTIONS (PTY) LTD
Statement of financial position
at 31 October 2023

	Notes	2023 R	2022 R
ASSETS			
Non-current assets			
Property, plant & equipment	7	33,695	81,605
		<u>33,695</u>	<u>81,605</u>
Current assets			
Trade and other receivables	12	3,137,483	2,155,276
Cash and cash equivalents	13	202,041	35,733
		<u>3,339,523</u>	<u>2,191,009</u>
Total assets		<u>3,373,218</u>	<u>2,272,614</u>
EQUITY & LIABILITIES			
Equity			
Share capital	14	1,000	1,000
Retained earnings		2,813,636	1,218,790
		<u>2,814,636</u>	<u>1,219,790</u>
Non-current liabilities			
Long term loans	16	190,403	199,767
		<u>190,403</u>	<u>199,767</u>
Current liabilities			
Trade payables	19	368,179	853,057
		<u>368,179</u>	<u>853,057</u>
Total liabilities		<u>558,582</u>	<u>1,052,824</u>
Total equity & liabilities		<u>3,373,218</u>	<u>2,272,614</u>

KHANO HR SOLUTIONS (PTY) LTD

**Statement of changes in equity
for the year ended 31 October 2023**

	Share Capital <u>R</u>	Reserves <u>R</u>	Retained Earnings <u>R</u>	Total <u>R</u>
At 01 November 2021	0	0	0	0
Profit / (Loss) for the year	0	0	1,034,986	1,034,986
Movement in reserves	0	0	0	0
Dividends	0	0	0	0
Shares issued	1,000	0	0	1,000
At 31 October 2022	1,000	0	1,034,986	1,035,986
Profit / (Loss) for the year	0	0	946,746	946,746
Movement in reserves	0	0	0	0
Dividends	0	0	0	0
Shares issued	0	0	0	0
At 31 October 2023	1,000	0	1,981,732	1,982,732

KHANO HR SOLUTIONS (PTY) LTD
Statement of cash flows
for the year ended 31 October 2023

	Notes	2023	2022
		R	R
Cash flows from operating activities			
Profit / (Loss) for the year		946,746	1,034,986
- Finance costs		152	171,913
- Income taxes		368,179	454,559
- Interest received		(8,505)	(18,838)
<i>Adjustments for non-cash income and expenses:</i>			
- Depreciation		47,910	57,766
- Prior year adjustments		648,100	183,804
<i>Cash flow included in investing activities:</i>			
<i>Changes in operating assets and liabilities:</i>			
- Decrease / (Increase) in trade and other receivables		(982,207)	(2,155,276)
- Increase / (Decrease) in trade and other payables		(484,878)	853,057
Cash generated from operations		535,497	581,971
Interest paid		(152)	(171,913)
Income tax paid		(368,179)	(454,559)
<i>Net cash from operating activities</i>		167,167	(44,501)
Cash flows from investing activities			
Purchases of property, plant & equipment		0	(139,371)
Interest received		8,505	18,838
<i>Net cash used in investing activities</i>		8,505	(120,533)
Cash flows from financing activities			
Proceeds from issuance of shares		0	1,000
Repayment of loans		(9,364)	199,767
<i>Net cash used in financing activities</i>		(9,364)	200,767
Net increase / (decrease) in cash and cash equivalents		166,308	35,733
Cash and cash equivalents at beginning of year		35,733	0
Cash and cash equivalents at end of year	13	202,041	35,733

KHANO HR SOLUTIONS (PTY) LTD
Accounting policies & explanatory notes to the financial statements
for the year ended 31 October 2023

1. Basis of preparation and accounting policies

These financial statements have been prepared on the historical cost basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are consistent with the previous period. They are presented in the currency units of South Africa.

Revenue recognition

Revenue is measured 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, net of discounts, returns, rebates and sales-related taxes.

Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Land and buildings are not depreciated. The following rates are used for the depreciation of other property, plant and equipment:

Land & buildings	0.0%
Plant & equipment	20.0%
Furniture & fittings	16.7%
Office equipment	20.0%
Computer equipment	33.3%
Motor vehicles	25.0%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised accordingly to reflect the new expectations.

KHANO HR SOLUTIONS (PTY) LTD
Accounting policies & explanatory notes to the financial statements
for the year ended 31 October 2023 (continued)

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised over their estimated useful lives (not exceeding ten years) using the straight-line method. The following rates are used for the amortisation of intangible assets:

Goodwill	10.0%
Trademarks	10.0%
Software	10.0%

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised accordingly to reflect the new expectations.

Impairment of assets

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 (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the company at the fair value of the leased property (or, if lower, the present value of the minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the appropriate lease.

**Accounting policies & explanatory notes to the financial statements
for the year ended 31 October 2023 (continued)**

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

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 profit or loss.

Trade payables

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

Provisions and contingencies

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Bank loans and overdrafts

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

2. Revenue

	2023	2022
	<u>R</u>	<u>R</u>
Consulting fees	11,452,669	10,381,384
	<u>11,452,669</u>	<u>10,381,384</u>

Accounting policies & explanatory notes to the financial statements for the year ended 31 October 2023 (continued)

3. Other income

	2023	2022
	R	R
Interest received	8,505	18,838
	<u>8,505</u>	<u>18,838</u>

4. Finance costs

	2023	2022
	R	R
Interest on loans and overdraft	(152)	(171,913)
	<u>(152)</u>	<u>(171,913)</u>

5. Profit before tax

The following items have been recognised as income / (expenses) in determining profit before tax:

	2023	2022
	R	R
Cost of inventories recognised as expense	(5,100,631)	(5,081,274)
Depreciation on property, plant & equipment	(47,910)	(23,902)

6. Income tax expense

	2023	2022
	R	R
Current taxation	(368,179)	(454,559)
	<u>(368,179)</u>	<u>(454,559)</u>

Income tax is calculated at 0.0 per cent (2022: 28.0 per cent) of the estimated assessable profit for the year.

Tax rate reconciliation

Corporate tax rate	0.0	28.0
Other	28.0	2.5
Effective tax rate	<u>28.0</u>	<u>30.5</u>

Accounting policies & explanatory notes to the financial statements for the year ended 31 October 2023 (continued)

7. Property, plant & equipment

Cost	At 1 November 2022	Additions	Impairment & Disposals	At 31 October 2023
	R	R	R	R
Furniture & fittings	49,855	0	0	49,855
Computer equipment	89,516	0	0	89,516
Total	139,371	0	0	139,371

Accumulated depreciation	At 1 November 2022	Depreciation	Impairment & Disposals	At 31 October 2023
	R	R	R	R
Furniture & fittings	27,637	12,462	0	40,099
Computer equipment	30,129	35,448	0	65,577
Total	57,766	47,910	0	105,676

Carrying amount	81,605			33,695
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The carrying amounts of some assets have been assessed to be below the recoverable amounts of the assets and impairment losses of R0 (2022: R0) have been recognised in profit or loss.

The carrying amount of property, plant & equipment includes an amount of R0 (2022: R0) in respect of assets held under finance leases.

8. Intangible assets

Cost	At 1 November 2022	Additions	Impairment & Disposals	At 31 October 2023
	R	R	R	R
Total	0	0	0	0

Accounting policies & explanatory notes to the financial statements for the year ended 31 October 2023 (continued)

8. Intangible assets (continued)

	At 1 November 2022	Amortisation	Impairment & Disposals	At 31 October 2023
Accumulated amortisation	R	R	R	R
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Carrying amount	<u>0</u>			<u>0</u>

The carrying amounts of some intangible assets have been assessed to be below the recoverable amounts of the assets and impairment losses of R0 (2022: R0) have been recognised in profit or loss.

9. Investments

	2023	2022
	R	R
	<u>0</u>	<u>0</u>
Interest received	8,505	18,838

10. Deferred tax

The following are the deferred tax liabilities (assets) recognised by the company:

At 1 November 2022	Charge (credit) for the year	At 31 October 2023
R	R	R
<u>0</u>	<u>0</u>	<u>0</u>

The company has not recognised a valuation allowance against the deferred tax assets because, on the basis of past years and future expectations, management considers it probable that taxable profits will be available against which the future income tax deductions can be utilised.

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

Accounting policies & explanatory notes to the financial statements for the year ended 31 October 2023 (continued)

11. Inventories

2023	2022
<u>R</u>	<u>R</u>
<u>0</u>	<u>0</u>

12. Trade and other receivables

	2023	2022
	<u>R</u>	<u>R</u>
Trade debtors	1,532,026	2,622,695
Shareholders Loans & advances	<u>1,605,457</u>	<u>(467,419)</u>
	<u>3,137,483</u>	<u>2,155,276</u>

13. Cash and cash equivalents

	2023	2022
	<u>R</u>	<u>R</u>
Cash at bank	<u>202,041</u>	<u>35,733</u>
	<u>202,041</u>	<u>35,733</u>
	<u>202,041</u>	<u>35,733</u>

The bank overdraft is secured by a floating lien over land & buildings owned by the company with a carrying amount of R0 at 31 October 2023 (R0 at 31 October 2022). Interest is payable at the prime interest rate.

14. Share capital

	2023	2022
	<u>R</u>	<u>R</u>
Issued share capital	1,000	1,000

The share capital balances comprise 0 ordinary shares (2022: 1,000) with a par value of R0.00 fully paid, issued and outstanding. An additional 0 shares (2022: -1,000) are legally authorised but unissued.

15. Reserves

	2023	2022
	<u>R</u>	<u>R</u>
Revaluation reserve	0	0

The revaluation reserve comprises fair value gains arising from the revaluation of land and buildings. The reserve is accounted for in accordance with the accounting policy for property, plant and equipment.

Accounting policies & explanatory notes to the financial statements for the year ended 31 October 2023 (continued)

16. Loans

	2023	2022
	<u>R</u>	<u>R</u>
Non-current		
Long term loan - Bizflex & Vodaland	190,403	199,767
	<u>190,403</u>	<u>199,767</u>
Current		
	<u>0</u>	<u>0</u>

Long term loans are secured by a floating lien over land & buildings owned by the company with a carrying amount of R0 at 31 October 2023 (R0 at 31 October 2022). Interest is payable on the 5-year bank loan at a fixed rate of 10 per cent of the principal amount.

17. Finance leases

The future minimum lease payments are as follows:

2023	2022
<u>R</u>	<u>R</u>
<u>0</u>	<u>0</u>

The obligation is classified as:

2023	2022
<u>R</u>	<u>R</u>
<u>0</u>	<u>0</u>

18. Commitments under operating leases

The company rents equipment under operating leases. The leases are for an average period of 0 years, with fixed rentals over the same period.

	2023	2022
	<u>R</u>	<u>R</u>
Operating lease payments recognised as an expense during the year	0	0

At year-end, the company has outstanding commitments under non-cancellable operating leases that fall due as follows:

2023	2022
<u>R</u>	<u>R</u>
<u>0</u>	<u>0</u>

KHANO HR SOLUTIONS (PTY) LTD

Accounting policies & explanatory notes to the financial statements

for the year ended 31 October 2023 (continued)

19. Trade and other payables

	2023	2022
	<u>R</u>	<u>R</u>
Trade creditors	<u>368,179</u>	<u>853,057</u>
	<u>368,179</u>	<u>853,057</u>