

**BRIGHT START EDUCATIONAL SUPPORT PROGRAMME NPC
(REGISTRATION NUMBER 2008/013050/08)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

FINAL SIGNED AFS

Date: 17/8/20 Sign: *MAW*

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

General Information

| | |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Co-ordinates, manages and facilitates fund-raising and donations worldwide so as to provide an education to selected previously disadvantaged children |
| Directors | S. Scudamore R.E. Kruger N. Dube K.U. Bach S.J. Eriksson B.A. Jacobs B.G. Moyo K.C. Richardson S. Whitford |
| Registered office | 20C Earl Street Hout Bay Cape Town Western Cape 7800 |
| Business address | 20C Earl Street Hout Bay Cape Town Western Cape 7800 |
| Postal address | Postnet Suite 291 Private Bag x4 Hout Bay 7872 |
| Bankers | Nedbank Limited |
| Auditors | BDV Platinum Audit Services Inc Chartered Accountants (SA) Registered Auditors |
| Company registration number | 2008/013050/08 |
| Tax reference number | 9140/433/17/9 |
| PAYE registration number | 7100/777/92/1 |
| PBO registration number | 930030374 |
| Level of assurance | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | The annual financial statements were independently compiled by: BDV Platinum Professional Services Inc Chartered Accountants (SA) |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Index

The reports and statements set out below comprise the annual financial statements presented to the board of directors:

| | Page |
|------------------------------------------|-------------|
| Directors' Responsibilities and Approval | 3 |
| Directors' Report | 4 - 5 |
| Independent Auditors' Report | 6 - 8 |
| Statement of Financial Position | 9 |
| Statement of Comprehensive Income | 10 |
| Statement of Changes in Equity | 11 |
| Statement of Cash Flows | 12 |
| Accounting Policies | 13 - 15 |
| Notes to the Annual Financial Statements | 16 - 18 |

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

| | |
|---------------------------|----|
| Detailed Income Statement | 19 |
|---------------------------|----|

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 company 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 4 to 18, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

Approval of annual financial statements



Director

5 August 2020

Date

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Bright Start Educational Support Programme NPC for the year ended 31 December 2019.

1. Nature of business

Bright Start Educational Support Programme NPC was incorporated in South Africa and co-ordinates, manages and facilitates fund-raising and donations worldwide so as to provide an education to selected previously disadvantaged children. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. 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 company are set out in these annual financial statements.

3. Directors

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

Directors

| | |
|-----------------|-------------|
| S. Scudamore | Chairperson |
| R.E. Kruger | Treasurer |
| N. Dube | |
| K.U. Bach | |
| S.J. Eriksson | |
| B.A. Jacobs | |
| B.G. Moyo | |
| K.C. Richardson | |
| S. Whitford | |

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the company.

The directors of the company have reviewed the impact of COVID-19 on the company affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

The company has closed its office under lockdown and the education support specialist is working with the beneficiaries by electronic means. The company has raised funds and are assisting beneficiaries with data. The schools have been putting measures in place for the beneficiaries to continue with school work remotely.

An area of concern once schools open is the company's bus driver. Management is currently investigating ways to have him sealed off from the beneficiaries in the bus to minimise exposure.

In terms of funding, the company has lost sponsors and this shortfall will need to come out of reserves for 2020. Management is monitoring this as it is a concern. Fortunately, the company has a wide spread of sponsors as opposed to a single large sponsor which does reduce the financial risk. While there are limited opportunities for savings without changing the modus operandi, expenses are being reviewed.

The directors are of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient resources to meet its foreseeable cash requirements.

The directors have put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and are of the opinion that no material uncertainty exists about the company's ability to continue as a going concern.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

BDV Platinum Audit Services Inc continued in office as auditors for the company for 2019.

At the AGM, the board of directors will be requested to reappoint BDV Platinum Audit Services Inc as the independent external auditors of the company and to confirm Mr Braam De Vries as the designated lead audit partner for the 2020 financial year.



CHARTERED ACCOUNTANTS (SA)

Independent Auditors' Report

To the board of directors of Bright Start Educational Support Programme NPC

Qualified opinion

We have audited the annual financial statements of Bright Start Educational Support Programme NPC (the company) set out on pages 9 to 18, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Bright Start Educational Support Programme NPC as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections prior to the initial entry of collections in the accounting records. Accordingly, it was impractical for us to extend our examinations beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw your attention to Note 15 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of COVID-19 on Bright Start Educational Support Programme NPC's future prospects, performance and cash flows. Management have addressed the effects and implications of COVID-19 on the company and they are satisfied that no material uncertainty exists that may cast significant doubt on Bright Start Educational Support Programme NPC's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BDV Platinum Audit Services Incorporated

Company Reg No: 2013/023630/21 VAT No.: 4480275567

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Postal Address: PO Box 31406 | Tokai 7966 | Email: admin@bdvplatinum.com

Telephone: 021 701 7620 | Fax: 086 639 9572 | Web: www.bdvplatinum.com

Directors: Carel Braam de Vries, Mark Dawson

Practice No.: 903104

Independent Auditors' Report

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Bright Start Educational Support Programme NPC annual financial statements for the year ended 31 December 2019", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditors' report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our 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 our 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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.

BDV Platinum Audit Services Incorporated

Company Reg No: 2013/023630/21 **VAT No.:** 4490275561

Physical Address: 49 Bell Crescent, | Westlake Business Park | Westlake 7845

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Directors: Carel Braam de Vries, Mark Dawson

Practice No.: 903104

Independent Auditors' Report

- 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.



BDV Platinum Audit Services Inc
Director - Braam De Vries
Chartered Accountants (SA)
Registered Auditors



Date

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

| Figures in Rand | Note(s) | 2019 | 2018 |
|-------------------------------------|---------|----------------|----------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 76,103 | 144,052 |
| Current Assets | | | |
| Trade and other receivables | 3 | 72,064 | 63,904 |
| Current tax receivable | | 1,472 | 1,472 |
| Cash and cash equivalents | 4 | 595,773 | 337,728 |
| | | 669,309 | 403,104 |
| Total Assets | | 745,412 | 547,156 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained income | | 37,327 | (221,959) |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Loans from directors | 5 | 466,650 | 344,650 |
| Current Liabilities | | | |
| Trade and other payables | 6 | 241,435 | 424,465 |
| | | 708,085 | 769,115 |
| Total Liabilities | | 708,085 | 769,115 |
| Total Equity and Liabilities | | 745,412 | 547,156 |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2019 | 2018 |
|-------------------------------------------------------|---------|----------------|------------------|
| Revenue | | 1,839,896 | 1,411,318 |
| Other income | | 1,622 | - |
| Operating expenses | | (1,600,135) | (1,985,344) |
| Operating profit (loss) | 7 | 241,383 | (574,026) |
| Investment revenue | 8 | 17,903 | 10,060 |
| Profit (loss) before taxation | | 259,286 | (563,966) |
| Taxation | 9 | - | - |
| Profit (loss) for the year | | 259,286 | (563,966) |
| Other comprehensive income | | - | - |
| Total comprehensive income (loss) for the year | | 259,286 | (563,966) |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|------------------------------------------------|------------------|------------------|
| Balance at 01 January 2018 | 342,007 | 342,007 |
| Loss for the year | (563,966) | (563,966) |
| Other comprehensive income | - | - |
| Total comprehensive loss for the year | (563,966) | (563,966) |
| Balance at 01 January 2019 | (221,959) | (221,959) |
| Profit for the year | 259,286 | 259,286 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 259,286 | 259,286 |
| Balance at 31 December 2019 | 37,327 | 37,327 |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

| Figures in Rand | Note(s) | 2019 | 2018 |
|---------------------------------------------|---------|----------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from (used in) operations | 10 | 118,142 | (262,043) |
| Interest income | | 17,903 | 10,060 |
| Net cash from operating activities | | 136,045 | (251,983) |
| Cash flows from financing activities | | | |
| Net movement in directors loans | | 122,000 | 344,650 |
| Net cash from financing activities | | 122,000 | 344,650 |
| Total cash movement for the year | | 258,045 | 92,667 |
| Cash at the beginning of the year | | 337,728 | 245,061 |
| Total cash at end of the year | 4 | 595,773 | 337,728 |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

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 International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. 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 is initially measured at cost.

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, except for land which is stated at cost less 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 company.

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 | 6 years |
| Motor vehicles | Straight line | 5 years |
| Office equipment | Straight line | 3 years |
| IT equipment | Straight line | 3 years |

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. 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.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the 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 profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

The company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.5 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in Rand 2019 2018

2. Property, plant and equipment

| | 2019 | | | 2018 | | |
|------------------------|---------------------|--------------------------|----------------|---------------------|--------------------------|----------------|
| | Cost or revaluation | Accumulated depreciation | Carrying value | Cost or revaluation | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 12,078 | (12,078) | - | 12,078 | (11,777) | 301 |
| Motor vehicles | 338,238 | (262,135) | 76,103 | 338,238 | (194,487) | 143,751 |
| Office equipment | 15,189 | (15,189) | - | 15,189 | (15,189) | - |
| IT equipment | 15,315 | (15,315) | - | 15,315 | (15,315) | - |
| Total | 380,820 | (304,717) | 76,103 | 380,820 | (236,768) | 144,052 |

Reconciliation of property, plant and equipment - 2019

| | Opening balance | Depreciation | Closing balance |
|------------------------|-----------------|-----------------|-----------------|
| Furniture and fixtures | 301 | (301) | - |
| Motor vehicles | 143,751 | (67,648) | 76,103 |
| | 144,052 | (67,949) | 76,103 |

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Depreciation | Closing balance |
|------------------------|-----------------|-----------------|-----------------|
| Furniture and fixtures | 1,203 | (902) | 301 |
| Motor vehicles | 211,399 | (67,648) | 143,751 |
| | 212,602 | (68,550) | 144,052 |

3. Trade and other receivables

| | | |
|-------------------|---------------|---------------|
| Trade receivables | 57,400 | 49,240 |
| Deposits | 14,664 | 14,664 |
| | 72,064 | 63,904 |

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------|----------------|----------------|
| Cash on hand | 1,753 | 686 |
| Bank balances | 594,020 | 337,042 |
| | 595,773 | 337,728 |

5. Loans to (from) directors

| | | |
|--------------|------------------|------------------|
| S. Whitford | (266,650) | (144,650) |
| S. Scudamore | (200,000) | (200,000) |
| | (466,650) | (344,650) |

The loans are unsecured, interest free and are not repayable within the following 12 months.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

| Figures in Rand | 2019 | 2018 |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|
| 6. Trade and other payables | | |
| Trade payables | 26,435 | 9,023 |
| Deferred income | 215,000 | 415,442 |
| | 241,435 | 424,465 |
| 7. Operating profit (loss) | | |
| Operating profit (loss) for the year is stated after accounting for the following: | | |
| Operating lease charges | | |
| Premises | | |
| □ Contractual amounts | 57,562 | 91,042 |
| Depreciation on property, plant and equipment | 67,949 | 68,550 |
| Employee costs | 461,618 | 657,122 |
| 8. Investment revenue | | |
| Interest revenue | | |
| Bank | 17,903 | 10,060 |
| 9. Taxation | | |
| No provision has been made for 2019 tax as the company is exempt from taxation in terms of Section 30 and 10(1)(cN) of the Income Tax Act. | | |
| 10. Cash generated from (used in) operations | | |
| Profit (loss) before taxation | 259,286 | (563,966) |
| Adjustments for: | | |
| Depreciation | 67,949 | 68,550 |
| Interest received | (17,903) | (10,060) |
| Changes in working capital: | | |
| Trade and other receivables | (8,160) | 4,860 |
| Trade and other payables | (183,030) | 238,573 |
| | 118,142 | (262,043) |
| 11. Auditor's remuneration | | |
| Fees | 13,800 | 11,500 |
| 12. Related parties | | |
| Relationships | | |
| Directors | S. Whitford S. Scudamore | |
| Related party balances and transactions | | |
| Related party balances | | |
| Loan accounts - Owing (to) by directors | | |
| S. Whitford | (266,650) | (144,650) |
| S. Scudamore | (200,000) | (20,000) |

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

13. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

14. 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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

The directors have put into place an effective plan to deal with the negative consequences and uncertainties brought about by the lockdown and COVID-19 and are of the opinion that no material uncertainty exists about the company's ability to continue as a going concern.

15. Events after the reporting period

On 15th March 2020, The President of the Republic of South Africa declared the COVID-19 outbreak a National Disaster.

With effect from 27th March 2020, the country was in full lockdown which may have an impact on the future financial position, performance and cash flows of the company.

The directors of the company have reviewed the impact of COVID-19 on the company affairs and are of the opinion that adequate steps have been implemented to ensure that the annual financial statements are free from material misstatement.

The directors are of the opinion that adequate disclosure of the positive and negative impacts of COVID-19 have been adequately and fully disclosed in the annual financial statements.

Bright Start Educational Support Programme NPC

(Registration number: 2008/013050/08)

Annual Financial Statements for the year ended 31 December 2019

Detailed Income Statement

| Figures in Rand | Note(s) | 2019 | 2018 |
|--------------------------------------|---------|------------------|------------------|
| Revenue | | | |
| Contributions from parents | | 170,540 | 189,160 |
| Donations received | | 667,682 | 568,153 |
| Funding received | | 1,001,674 | 654,005 |
| | | 1,839,896 | 1,411,318 |
| Other income | | | |
| Insurance claim refund | | 1,622 | - |
| Operating expenses | | | |
| Accounting fees | | 17,304 | 16,509 |
| Advertising | | 100 | 1,000 |
| Aftercare | | 82,547 | 199,431 |
| Assets less than R7,000 | | - | 1,000 |
| Auditors remuneration | 11 | 13,800 | 11,500 |
| Bad debts | | - | 17,484 |
| Bank charges | | 5,959 | 6,143 |
| Cleaning | | 299 | 1,279 |
| Cultural enrichment | | 33,682 | 16,386 |
| Depreciation | | 67,949 | 68,550 |
| Employee costs | | 461,618 | 657,122 |
| Entertainment | | 1,194 | 2,474 |
| Fundraising activities | | 5,628 | 1,932 |
| IT expenses | | 825 | 4,966 |
| Insurance | | 21,601 | 21,316 |
| Lease rentals on operating lease | | 57,562 | 91,042 |
| Motor vehicle expenses | | 39,890 | 43,610 |
| Municipal expenses | | 8,670 | 8,474 |
| Photographs | | - | 518 |
| Printing and stationery | | 10,467 | 30,973 |
| Repairs and maintenance | | 80 | 716 |
| School fees | | 737,620 | 737,507 |
| Special intervention | | 1,105 | 6,825 |
| Staff welfare | | 2,432 | 1,537 |
| Subscriptions | | 2,956 | 3,106 |
| Telephone and fax | | 18,101 | 16,981 |
| Training | | 640 | 255 |
| Transport and freight | | 532 | - |
| Travel - local | | - | 42 |
| Uniforms | | 7,574 | 16,666 |
| | | 1,600,135 | 1,985,344 |
| Operating profit (loss) | 7 | 241,383 | (574,026) |
| Investment income | 8 | 17,903 | 10,060 |
| Profit (loss) before taxation | | 259,286 | (563,966) |
| Taxation | 9 | - | - |
| Profit (loss) for the year | | 259,286 | (563,966) |