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BIBLIONEF SOUTH AFRICA NPC

(Registration number 1998/018378/08)

Financial Statements

for the year ended 31 December 2018

Biblionef South Africa NPC
(Registration number: 1998/018378/08)
Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non-profit organisation
Directors	J F De Beer S T Cupido X Guzula M Nassimbeni R J Pearce S M van der Schijff J Williams S L Witbooi A Kulsen
Registered office	4 Central Square Pinelands Cape Town 7405
Business address	4 Central Square Pinelands Cape Town 7405
Postal address	4 Central Square Pinelands Cape Town 7405
Bankers	Nedbank Limited
Auditors	SDK Chartered Accountants (SA) Registered Auditors
Company registration number	1998/018378/08
Tax reference number	9199/088/64/3
Level of assurance	These financial statements have been voluntary audited at the request of the directors.
Preparer	The financial statements were independently compiled by: L Neumeyer AGA (SA)
Issued	28 February 2019

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

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

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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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 Companion Guide for Not-for-profit to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). The external auditors is engaged to express an independent opinion on the financial statement.

The financial statements are prepared in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) 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 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 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 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 2019 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on Pages 4 to 6.

The financial statements set out on Pages 9 to 23, which have been prepared on the going concern basis, were approved by the directors on 28 February 2019 and were signed on their behalf by:

Director	**Director**

Pinelands

28 February 2019

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Independent Auditor's Report

To the shareholders of Biblionef South Africa NPC

Qualified opinion

We have audited the financial statements of Biblionef South Africa NPC set out on pages 9 to 21, which comprise the statement of financial position as at 31 December 2018, 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 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 financial statements present fairly, in all material respects, the financial position of Biblionef South Africa NPC as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with the Companion Guide for Not-For-Profits to the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

Cash donations and donations received in books are a significant source of the revenue for Biblionef South Africa NPC. The directors have determined that it is impractical to establish internal controls over the collection of cash donations and donations received in books prior to the initial entry into its financial records. We were therefore unable to confirm whether all cash donations and books received in donations were recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statments 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (part A and B). 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 attention to the fact that the financial statements were prepared in accordance with Companion guide for Not-For-Profits to the International Financial Reporting Standard for Small and Medium-sized Entities to satisfy the financial information needs of the company's board. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, and the supplementary information set out on pages 22 to 23. 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 Companion Guide for Not-for-profits to the International Financial Reporting Standard for SMall and Medium-sized Entities (IFRS for SMEs) 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

H M Smit (Partner)
Registered Auditor
28 February 2019

SDK Chartered Accountants (SA)
22b Church Street
Durbanville
7550

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Biblionef South Africa NPC for the year ended 31 December 2018.

1. Incorporation

The company was incorporated in South Africa on 15 September 1998 and obtained its certificate to commence business on the same day.

2. Nature of business

Biblionef South Africa NPC was incorporated in South Africa, which is dedicated to supplying suitable books to children to promote their personal development.

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

3. Review of financial results and activities

The financial statements have been prepared in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

During the year under review the directors made a decision to aggresively reduce the amount of books on hand. The decision came as a result of cash flow constraints and aged books on hand. The reduction was done by donating selected books to beneficiaries.

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

4. Directors

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

Name
J F De Beer
S T Cupido
X Guzula
M Nassimbeni
R J Pearce
S M van der Schijff
J Williams
S L Witbooi
A Kulsen

In terms of the company's Memorandum of Incorporation Mrs J Williams, retired on the 30th of June 2018.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 December 2018 the company's investment in property, plant and equipment amounted to R168,721 (2017:R174,471), of which R13,772 (2017: R4,170) was added in the current year through additions.

6. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the company, were made by the company during the period covered by this report.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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 borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. 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.

9. Auditor

SDK Chartered Accountants (SA) continued in office as auditor of the company for 2018.

10. Secretary

The company had no secretary during the year under review.

11. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 28 February 2019. No authority was given to anyone to amend the financial statements after the date of issue.

Biblionef South Africa NPC
(Registration number: 1998/018378/08)
Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

Figures in Rand	Note	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	168,721	174,471
Other financial assets	3	1,212,483	1,279,513
		1,381,204	**1,453,984**
Current Assets			
Inventories	5	4,856,096	6,909,687
Trade and other receivables	4	43,366	191,660
Cash and cash equivalents	6	1,635,531	1,717,222
		6,534,993	**8,818,569**
Total Assets		**7,916,197**	**10,272,553**
Equity and Liabilities			
Equity			
Retained income		7,312,330	9,909,879
Liabilities			
Current Liabilities			
Trade and other payables	7	463,801	85,165
Deferred income	8	140,066	277,509
		603,867	**362,674**
Total Equity and Liabilities		**7,916,197**	**10,272,553**

Statement of Comprehensive Income

Figures in Rand	Note	2018	2017
Income	9	1,951,869	3,369,982
Cost of sales and books donated	10	(4,141,522)	(3,268,989)
Gross (deficit)/surplus		**(2,189,653)**	**100,993**
Other income	11	2,290,143	3,084,185
Operating expenses		(2,722,705)	(2,980,564)
Operating (deficit)/surplus	12	**(2,622,215)**	**204,614**
Investment revenue	13	90,493	110,805
Fair value adjustments	14	(65,827)	52,341
Finance costs	15	-	(69)
(Deficit)/surplus for the year		**(2,597,549)**	**367,691**
Other comprehensive income		-	-
Total comprehensive (deficit) income for the year		**(2,597,549)**	**367,691**

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 January 2017	**9,542,188**	**9,542,188**
Surplus for the year	367,691	367,691
Other comprehensive income	-	-
Total comprehensive income for the year	**367,691**	**367,691**
Balance at 01 January 2018	**9,909,879**	**9,909,879**
Deficit for the year	(2,597,549)	(2,597,549)
Other comprehensive income	-	-
Total comprehensive deficit for the year	**(2,597,549)**	**(2,597,549)**
Balance at 31 December 2018	**7,312,330**	**7,312,330**

Statement of Cash Flows

Figures in Rand	Note	2018	2017
Cash flows from operating activities			
Cash receipts from customers		4,390,305	6,298,257
Cash paid to suppliers and employees		(4,559,922)	(6,493,648)
Cash used in operations	18	(169,617)	(195,391)
Interest income		80,016	101,361
Dividends received		10,477	9,444
Finance costs		-	(69)
Net cash from operating activities		**(79,124)**	**(84,655)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(13,772)	(4,170)
Sale of property, plant and equipment	2	10,001	-
Sale of financial assets		1,203	2,771
Net cash from investing activities		**(2,568)**	**(1,399)**
Total cash movement for the year		**(81,692)**	**(86,054)**
Cash at the beginning of the year		1,717,222	1,803,276
Total cash at end of the year	6	**1,635,530**	**1,717,222**

1. Presentation of financial statements

The financial statements have been prepared in accordance with the Companion Guide for Not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), and the Companies Act 71 of 2008. The 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, except for the changes set out in note changes in accounting policy.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production of income or supply of goods and services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Depreciation is provided by using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years
Motor vehicles	Straight line	10 years
Office equipment	Straight line	6 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss in the period.

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.

1.2 Financial instruments (continued)

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.

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.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Donated goods held by a charity for distribution to its beneficiaries are recognised as inventory, with the corresponding income recognised within donations received and measured at its fair value. The company assesses at each reporting date whether there is any indication that an asset may be impaired.

The cost of any inventory of goods donated for distribution to beneficiaries is deemed to be the fair value of those donations at the time of their receipt.

Purchased goods are measured at the lower of cost and estimated selling price less costs to sell, on the weighted average cost basis.

The cost of any purchased goods is the cost of purchases, and other costs incurred in bringing the inventory to its present location and condition.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill 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 profit or loss.

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

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 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.

Donations in cash is recognised when it is received.

Donated goods received are measured at their values at the time of the receipt.

Income from grants is recognised in the financial period to which it relates. Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs. The expected surplus of the project fund is deferred to the following year or the deficit is accrued in the current year under review.

Project expenses that are clearly identifiable are allocated directly against project funds in terms of the contractual obligations to donors. Indirect and shared costs are apportioned based on management estimates.

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

Dividends are recognised, in profit or loss, when the company’s right to receive payment has been established.

1.9 Borrowing costs

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

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	220,000	(70,400)	149,600	220,000	(57,200)	162,800
Office equipment	126,783	(111,412)	15,371	128,283	(116,926)	11,357
Computer software	67,531	(63,781)	3,750	62,339	(62,025)	314
Total	**414,314**	**(245,593)**	**168,721**	**410,622**	**(236,151)**	**174,471**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Motor vehicles	162,800	-	-	(13,200)	149,600
Office equipment	11,357	8,580	(1)	(4,565)	15,371
Computer software	314	5,192	-	(1,756)	3,750
	174,471	**13,772**	**(1)**	**(19,521)**	**168,721**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Motor vehicles	155,326	-	7,474	162,800
Office equipment	10,285	4,170	(3,098)	11,357
Computer software	4,873	-	(4,559)	314
	170,484	**4,170**	**(183)**	**174,471**

Notes to the Financial Statements

Figures in Rand	2018	2017

3. Other financial assets

At fair value		
Investment in NGI Private Wealth - Balanced fund of funds	1,212,483	1,278,309
Investment in NGI Private Wealth - Unquoted gilts	-	1,204
	1,212,483	**1,279,513**
Non-current assets		
At fair value	1,212,483	1,279,513

4. Trade and other receivables

Prepayments	11,851	22,983
SA Revenue Service: Value-Added Tax	20,645	26,240
Trade receivables	10,871	142,431
Deposits	(1)	6
	43,366	**191,660**

5. Inventories

Inventories	4,856,096	6,909,687

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,524	719
Bank balances	1,632,007	1,716,503
	1,635,531	**1,717,222**

7. Trade and other payables

Accrued expense	22,133	11,605
Accrued leave pay	62,132	59,091
Trade payables	379,536	14,469
	463,801	**85,165**

Figures in Rand	2018	2017

8. Deferred income

The following deferred income relating to grants received before year end was raised:

Funder		
Biblionef Vlaanderen	-	14,217
Henri Nouwen Stichting	-	13,925
L W Hiemstra Trust	-	70,000
National Lottery Commissions	-	160,028
The Childwick Trust	-	19,339
Read 4 Fun	53,366	-
Sabinet Online	37,500	-
Rotary Claremont Funds	49,200	-
	140,066	**277,509**

9. Revenue

Sale of goods	1,508,969	1,691,673
Donations in books received	259,673	1,078,817
Recoveries	183,227	599,492
	1,951,869	**3,369,982**

10. Cost of sales and books donated

Opening balance	6,912,524	6,802,116
Value of donated books received	259,673	1,078,817
Books purchased	1,456,345	1,516,916
Distribution cost	157,759	536,657
Other materials purchased	211,317	247,007
Closing balance	(4,856,096)	(6,912,524)
	4,141,522	**3,268,989**

Books and other materials distributed		
Books sold	1,033,898	1,503,096
Books donated	2,949,865	1,229,236
Distribution cost	157,759	536,657
	4,141,522	**3,268,989**

11. Other income

Donations - Corporate sector	94,901	81,843
Donations - Individuals	30,545	19,440
Donations - International funding	1,086,369	1,221,299
Donations - Trusts and Foundations	1,068,328	1,758,833
Gains on disposal of other financial assets	10,000	2,770
	2,290,143	**3,084,185**

Notes to the Financial Statements

Figures in Rand	2018	2017

12. Operating (deficit)/surplus

Operating (deficit)/surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	340,199	333,960
Lease rentals on operating lease		
• Contractual amounts	9,849	9,849
	350,048	**343,809**
Profit on sale of property, plant and equipment	10,000	-
Gains on disposal of other financial assets	-	2,770
Depreciation	19,521	183
Employee costs	1,825,292	1,953,779

13. Investment revenue

Dividend revenue		
Unit trusts - Local	10,477	9,444
Interest revenue		
Bank	54,259	77,879
Other financial asset	25,757	23,482
	80,016	**101,361**
	90,493	**110,805**

14. Fair value adjustments

Other financial assets	(65,827)	52,341

15. Finance costs

Trade and other payables	-	69

16. Taxation

This company is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act. No provision has been made for 2018 tax as the company has no taxable income.

17. Auditor's remuneration

Auditors fees	63,334	64,989
Tax and secretarial services	13,805	2,935
	77,139	**67,924**

Figures in Rand	2018	2017

18. Cash used in operations

(Loss) profit before taxation	(2,597,549)	367,691
Adjustments for:		
Depreciation	19,521	183
Gains on disposal of assets	(10,000)	(2,770)
Dividends received	(10,477)	(9,444)
Interest received	(80,016)	(101,361)
Finance costs	-	69
Fair value adjustments	65,827	(52,341)
Changes in working capital:		
Inventories	2,053,591	(107,571)
Trade and other receivables	148,293	(155,912)
Trade and other payables	378,636	(142,277)
Deferred income	(137,443)	8,342
	(169,617)	**(195,391)**

19. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	306,871	-

Operating lease payments represent rentals payable by the company for certain of its office properties as well as a storage unit. Leases are negotiated on a month to month basis and therefore the entity is not liabile for rental payments beyond the 2019 year of assessment.

20. Directors' remuneration

Executive

2018

	Emoluments	Total
In connection with the affairs of the company	333,172	333,172

2017

	Emoluments	Total
In connection with the affairs of the company	570,501	570,501

Detailed Income Statement

Figures in Rand	Note	2018	2017
Income			
Donations in books received		259,673	1,078,817
Recoveries		183,227	599,492
Sale of books		1,508,969	1,691,673
	9	**1,951,869**	**3,369,982**
Cost of sales and books donated	10	**(4,141,522)**	**(3,268,989)**
Gross (deficit)/surplus		**(2,189,653)**	**100,993**
Other income			
Donations - Corporate sector		94,901	81,843
Donations - Individuals		30,545	19,440
Donations - International funding		1,086,369	1,221,299
Donations - Trust and Foundations		1,068,328	1,758,833
Dividends received	13	10,477	9,444
Interest received	13	80,016	101,361
Gains on disposal of other financial assets		10,000	2,770
Fair value adjustments	14	-	52,341
		2,380,636	**3,247,331**
Expenses (Refer to page 23)		**(2,722,705)**	**(2,980,564)**
Operating (deficit)/surplus	12	**(2,531,722)**	**367,760**
Finance costs	15	-	(69)
Fair value adjustments	14	(65,827)	-
		(65,827)	**(69)**
(Deficit)/surplus for the year		**(2,597,549)**	**367,691**

The supplementary information presented does not form part of the financial statements and is unaudited

Detailed Income Statement

Figures in Rand	Note	2018	2017
Operating expenses			
Administration and management fees		(3,725)	(3,545)
Auditor's remuneration	17	(77,139)	(67,924)
Bank charges		(10,420)	(10,723)
Board expenses - accommodation		(13,270)	(9,242)
Board expenses - catering		(11,212)	(6,987)
Board expenses - travelling		(46,139)	(39,522)
Computer expenses		(9,610)	(15,942)
Conferences and workshops		(1,980)	(14,384)
Consultancy fees		(6,600)	(11,471)
Consumables		(1,562)	(2,526)
Depreciation	2	(19,521)	(183)
Employee costs		(1,825,292)	(1,953,779)
Entertainment		(6,181)	(55)
Fines and penalties		(2,527)	(246)
Insurance		(13,072)	(14,069)
Lease rentals on operating lease	19	(350,048)	(343,809)
Marketing		(15,399)	(18,147)
Membership fees		(978)	(1,221)
Motor vehicle expenses		(18,368)	(22,784)
Printing and stationery		(14,194)	(34,656)
Programme cost - Missions		(54,680)	(106,788)
Programme cost - Projects		(147,845)	(233,428)
Promotions		(80)	-
Repairs and maintenance		(1,536)	(1,379)
Staff welfare		(10,748)	(10,462)
Subscriptions		(450)	(450)
Telephone and fax		(60,129)	(56,842)
		(2,722,705)	**(2,980,564)**

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