

The Bobbi Bear Foundation
(Registration number 015-208 N.P.O.)
Annual Financial Statements
for the year ended 28 February 2019

The Bobbi Bear Foundation

(Registration number: 015-208 N.P.O.)

Annual Financial Statements for the year ended 28 February 2019

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of the Bobbi Bear Foundation.

A report of the directors has not been prepared as the company is a wholly owned subsidiary of which is incorporated in South Africa

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Directors' Responsibilities and Approval

The directors are required by the constitution, 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 foundation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting described in Note 1. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the foundation 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 foundation and all employees are required to maintain the highest ethical standards in ensuring the foundation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the foundation is on identifying, assessing, managing and monitoring all known forms of risk across the foundation. While operating risk cannot be fully eliminated, the foundation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

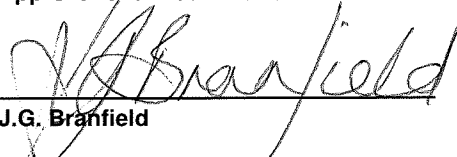
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the foundation's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, They are satisfied that the foundation 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 foundation's annual financial statements. The annual financial statements have been examined by the foundation's external auditors and their report is presented on pages 3 - 4.

The annual financial statements set out on pages 5 to 13, 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



J.G. Branfield

12 May 2020

Date



E. Olivier

Independent Auditor's Report

To the Board of directors of The Bobbi Bear Foundation

Qualified opinion

We have audited the annual financial statements of The Bobbi Bear Foundation (the company) set out on pages 5 to 11, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, and 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 The Bobbi Bear Foundation as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with basis of accounting described in Note 1 and the requirements of the constitution.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the foundation to institute accounting controls over cash collections from donations and fund raising prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination 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 foundation 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 annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the 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 Note 1 to the Annual Financial Statements, which describes the basis of accounting. The financial statements are prepared in accordance with the foundation's own accounting policies to satisfy the financial information needs of the foundation's board. As a result, the Annual Financial Statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

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 on the other information obtained prior to the date of this auditor's report, 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.

Independent Auditor's Report

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 basis of accounting described in Note 1 and the requirements of the constitution, 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.

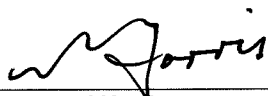
Auditor's responsibilities for the audit of the Annual Financial Statements

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.
- 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.



Emert and Harris
Chartered Accountants (SA)
Registered Auditors
Per: N.A. Harris

12 May 2020

Date

The Bobbi Bear Foundation

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Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	4 917 994	4 854 764
Current Assets			
Trade and other receivables	3	3 787	3 040
Cash and cash equivalents	4	328 174	299 584
		331 961	302 624
Total Assets		5 249 955	5 157 388
Equity and Liabilities			
Equity			
Reserves		840 000	840 000
Retained income		3 828 537	3 704 387
		4 668 537	4 544 387
Liabilities			
Current Liabilities			
Trade and other payables	5	292 588	367 084
World of Children	6	288 830	245 917
		581 418	613 001
Total Equity and Liabilities		5 249 955	5 157 388

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Annual Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Income

Figures in Rand	2019	2018
Revenue	3 642 614	2 530 685
Operating expenses	(3 518 464)	(2 979 266)
Operating profit (loss)	124 150	(448 581)
Surplus (Deficit) for the year	124 150	(448 581)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	124 150	(448 581)

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Annual Financial Statements for the year ended 28 February 2019

Statement of Changes in Equity

Figures in Rand	Reserves	Retained income	Total equity
Balance at 01 March 2017	-	4 152 968	4 152 968
Loss for the year	-	(448 581)	(448 581)
Other comprehensive income	-	-	-
Surplus for the year	-	(448 581)	(448 581)
Capital Donation (note 2)	840 000	-	840 000
Total changes	840 000	-	840 000
Balance at 01 March 2018	840 000	3 704 387	4 544 387
Profit for the year	-	124 150	124 150
Other comprehensive income	-	-	-
Surplus for the year	-	124 150	124 150
Balance at 28 February 2019	840 000	3 828 537	4 668 537

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Annual Financial Statements for the year ended 28 February 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 accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis.. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

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	5 - 6 Years
Motor vehicles	Straight line	5 Years
Office equipment	Straight line	6 Years
IT equipment	Straight line	3 Years
Other	Straight line	6 Years

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.

1.2 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.

1.3 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current year.

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Annual Financial Statements for the year ended 28 February 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
Land and buildings	4 689 791	-	4 689 791	4 539 791	-	4 539 791
Furniture and fixtures	188 642	(188 473)	169	188 642	(184 642)	4 000
Motor vehicles	904 706	(747 912)	156 794	904 706	(658 267)	246 439
Office equipment	119 558	(107 921)	11 637	107 921	(107 921)	-
IT equipment	205 628	(182 252)	23 376	178 628	(162 378)	16 250
Other	77 467	(41 240)	36 227	77 467	(29 183)	48 284
Total	6 185 792	(1 267 798)	4 917 994	5 997 155	(1 142 391)	4 854 764

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	4 539 791	150 000	-	4 689 791
Furniture and fixtures	4 000	-	(3 831)	169
Motor vehicles	246 439	-	(89 645)	156 794
Office equipment	-	11 637	-	11 637
IT equipment	16 250	27 000	(19 874)	23 376
Other	48 284	-	(12 057)	36 227
	4 854 764	188 637	(125 407)	4 917 994

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	3 699 791	840 000	-	4 539 791
Furniture and fixtures	12 494	4 000	(12 494)	4 000
Motor vehicles	350 299	-	(103 860)	246 439
IT equipment	32 021	-	(15 771)	16 250
Other	40 773	17 504	(9 993)	48 284
	4 135 378	861 504	(142 118)	4 854 764

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018
2. Property, plant and equipment (continued)		
Details of properties		
Portion 17 (of 7) of ERF 111 Amanzimtoti		
Portion 17 (of 7) of ERF 111 Amanzimtoti, Registration Division ET, Province of Kwa-Zulu Natal in extent 1349 (one thousand three hundred and forty nine) square metres.		
- Purchase price: 10 October 2008	670 000	670 000
- Costs :- 2010	200 866	200 866
- Costs :- 2011	2 307 820	2 307 820
- Costs :- 2012	521 105	521 105
	3 699 791	3 699 791
ERF 73 Saiccor		
ERF 73 Saiccor, in extent 1018 (one thousand and eighteen) square metres. This property has been transferred into the name of Bobbi Bear subject to a usufruct in favour of the deceased donor's wife during her lifetime.		
- Donated	840 000	840 000
Investment		
3 Shares in Edge of Day Property Investments (Pty) Ltd - Donated to Bobby Bear.	150 000	-
A cottage with plan number 838/07/c Lot 1188 KB known as 32 Hillside Road Doonside, was built in 2007 on the property of Allan and Jackie Branfield, with funds donated by Table of Unity Cape Town to the agreed value of R200,000. The condition of the building being erected on the premises of 32 Hillside Road Doonside is that should Allan Branfield or Jackie Branfield pass away or sell the property, the value of R200,000 will be payable to Operation Bobbi Bear.		
3. Trade and other receivables		
Prepayments	747	-
Deposits	3 040	3 040
	3 787	3 040
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Call account	4 826	4 651
Bank balances	24 602	49 706
Credit card	(690)	(690)
Funds held for specified purpose (World of Children - Note 6)	299 436	245 917
	328 174	299 584

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Notes to the Annual Financial Statements

Figures in Rand	2019	2018
5. Trade and other payables		
SA Revenue Services	276 656	318 157
Provision for expenses	15 932	48 927
	292 588	367 084
6. World of Children		
Unutilised portion of Donation	288 830	245 917
Unutilised from previous year	245 917	
Funds received November 2018	414 738	
	660 655	
Funds utilised this year	(371 825)	
Funds carried forward to next year	<u>288 830</u>	

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Detailed Income Statement

Figures in Rand	2019	2018
Revenue		
Donations : Keeps A Child Alive	1 274 549	1 326 762
Donations & Cost : Volunteer Group	294 641	133 349
Donations - General	1 512 706	1 070 407
Donation : Shares	150 000	-
Donation : World of children	371 825	-
Interest received	12 610	167
Sundry Income	26 283	-
	3 642 614	2 530 685
Expenses (Refer to page 13)	(3 518 464)	(2 979 266)
Profit (loss) for the year	124 150	(448 581)

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Annual Financial Statements for the year ended 28 February 2019

Detailed Income Statement

Figures in Rand	2019	2018
Operating expenses		
Accounting fees	-	(15 000)
Advertising	(46 145)	(48 700)
Assets under R5000	(42 879)	(22 945)
Bank charges	(18 723)	(19 254)
Cleaning	(55 207)	(26 907)
Depreciation	(125 407)	(142 118)
Employee costs	(1 966 412)	(1 662 848)
Assets under R5000	(11 815)	-
Volunteer expenses	(20 080)	-
Building costs	(14 310)	(1 320)
Clothing Children Food School Toys	(200 851)	(110 752)
General expenses	(1 980)	-
Office expenses	(91 157)	(103 707)
Support groups food	(9 435)	(21 549)
Staff training	(6 396)	(1 000)
Tree Clinic	(3 900)	(3 636)
Volunteer expenses	(43 596)	(20 340)
IT expenses	(15 220)	(8 126)
Insurance	(118 294)	(103 993)
Legal expenses	(1 128)	(1 038)
Medical expenses	(42 916)	(5 741)
Motor vehicle expenses	(212 372)	(194 604)
Municipal expenses	(100 521)	(75 740)
Other expenses	(12 289)	-
Postage	-	(500)
Printing and stationery	(83 460)	(67 504)
Repairs and maintenance	(17 446)	(30 351)
Support groups food	(16 625)	(16 092)
Staff welfare	(17 284)	(18 783)
Subscriptions	(530)	(1 670)
Telephone and fax	(192 203)	(177 035)
Tree Clinic	(1 500)	(2 848)
Volunteer expenses	(15 206)	(8 759)
Volunteer expenses	(13 177)	(66 406)
	(3 518 464)	(2 979 266)