



Bryneven Primary School
(Registration number 150235)
Annual Financial Statements
for the year ended 31 December 2018

These annual financial statements were prepared by:
SJV Van Zyl
Partner
Published 04 April 2019

Bryneven Primary School

(Registration number 150235)

Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Company registration number	150235
Nature of business and principal activities	School
Registered office	Corner Ballyclare and Ballina Road Bryanston 2120
Business address	Corner Ballyclare and Ballina Road Bryanston 2120
Postal address	P.O. Box 67095 Bryanston 2120
Auditors	SJV Van Zyl Professional Accountants (SA)

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School Governing Body Responsibilities and Approval

The school governing body are required by the South African School Act 84, 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 school 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 school governing body acknowledge that they are ultimately responsible for the system of internal financial control established by the school and place considerable importance on maintaining a strong control environment. To enable the school governing body to meet these responsibilities, the school governing body 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 school and all employees are required to maintain the highest ethical standards in ensuring the school's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the school is on identifying, assessing, managing and monitoring all known forms of risk across the school. While operating risk cannot be fully eliminated, the school endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The school governing body 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 school governing body have reviewed the school'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 school 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 school's annual financial statements. The annual financial statements have been examined by the school's external auditors and their report is presented on page 4.


The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the school governing body on 04 April 2019 and were signed on its behalf by:



Antony Mathews - Treasurer



Marianne Bam - Secretary



Vusumuzi Mathebula - Chairman



Naeem Nakooda - Acting Principal

Flok & Van Zyl

Independent Auditors' Report

To the parents of Bryneven Primary School

We have audited the annual financial statements of Bryneven Primary School, as set out on pages 7 to 16, 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 the notes, comprising a summary of significant accounting policies and other explanatory information.

School Governing Body Responsibility for the Annual Financial Statements

The school governing body is responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the South African School Act 84, and for such internal control as the school governing body determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



SJV Van Zyl
Partner
04 April 2019

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School Governing Body Report

The school governing body have pleasure in submitting their report on the annual financial statements of Bryneven Primary School and its associates for the year ended 31 December 2018.

1. Nature of business

The school operates as a primary school in South Africa.

The operating results and state of affairs of the school are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The school is a state aided organisation and had no changes with regards to the nature during the year under review.

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 South African School Act 84. 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 school are set out in these annual financial statements.

3. School governing body

The school governing body in office at the date of this report are as follows:

School governing body

Antony Mathews - Treasurer

Marianne Bam - Secretary

Vusumuzi Mathebula - Chairman

Naeem Nakooda - Acting Principal

Philippa Da Costa

Joan Groeneveld

Ntsikelelo Maho

Izienne Harrison

Golden Chademanah

Raoul Blignaut

4. Property, plant and equipment

The school purchased assets during the year. The assets are capitalised and fully depreciated in the same year of purchase as per the entity policy.

5. Events after the reporting period

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

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School Governing Body Report

6. Going concern

The members of the SGB believe that the school 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 members of the SGB have satisfied themselves that the school is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members of the SGB are not aware of any new material changes that may adversely impact the school. The members of the SGB 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 school.

7. Auditors

SJV Van Zyl continued in office as auditors for the school for 2018.

At the AGM, the school governing body will be requested to reappoint SJV Van Zyl as the independent external auditors of the company and to confirm Mr SJV Van Zyl as the designated lead audit partner for the 2018 financial year.

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Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

Figures in Rand	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	-
Current Assets			
Trade and other receivables		(1 200)	(1 200)
Cash and cash equivalents	3	2 894 792	2 392 137
		2 893 592	2 390 937
Total Assets		2 893 592	2 390 937
Equity and Liabilities			
Equity			
Reserves		1 109 869	1 170 069
Retained income		211 629	(423 938)
		1 321 498	746 131
Liabilities			
Current Liabilities			
Trade and other payables	4	1 572 094	1 644 806
Total Equity and Liabilities		2 893 592	2 390 937

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	5	23 884 957	22 859 506
Other income	6	2 139 603	2 153 652
Operating expenses		(25 696 593)	(24 388 873)
Operating profit		327 967	624 285
Investment revenue	7	307 600	267 654
Profit for the year		635 567	891 939
Other comprehensive income		-	-
Total comprehensive income for the year		635 567	891 939

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Statement of Changes in Equity

Figures in Rand	Water Piping Fund	Retained income	Total equity
Balance at 01 January 2017	1 170 069	(1 315 877)	(145 808)
Profit for the year	-	891 939	891 939
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	891 939	891 939
Balance at 01 January 2018	1 170 069	(423 938)	746 131
Profit for the year	-	635 567	635 567
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	635 567	635 567
Distribution	(60 200)	-	(60 200)
Total contributions by and distributions to school governing body is recognised directly in equity	(60 200)	-	(60 200)
Balance at 31 December 2018	1 109 869	211 629	1 321 498

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Statement of Cash Flows

Figures in Rand	Notes	2018	2017
Cash flows from operating activities			
Cash receipts from customers		23 884 957	20 967 010
Cash paid to suppliers and employees		(23 683 102)	(20 282 812)
Cash generated from operations	10	201 855	684 198
Interest income		307 600	267 654
Net cash from operating activities		509 455	951 852
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(6 800)	(261 017)
Total cash movement for the year		502 655	690 835
Cash at the beginning of the year		2 392 137	1 701 302
Total cash at end of the year	3	2 894 792	2 392 137

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Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the South African School Act 84. 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 are tangible items that:

- are held for use in the production or supply of goods or services, 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 all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment. The following assets are capitalised and fully depreciated in the year that they are purchased, as per entity policy:

Audio-visual Equipment

Furniture, fixtures and sport equipment

Motor vehicles

Office equipment

IT equipment

Computer software

Tools

Ground Equipment

Music Equipment

Sport Equipment

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

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present 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 or loss in the period.

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Accounting Policies

1.2 Financial instruments

Initial measurement

The school classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the school's balance sheet when the school becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate compounded at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Tax

Income Tax

The school is an educational institution of a public nature and is therefore exempt from tax in terms of Section 10(1)(f) of the Income Tax Act.

1.4 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

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Accounting Policies

1.5 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.6 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

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

School fees, fundraising income and donations received are recognised on a cash basis.

1.7 Borrowing costs

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

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Notes to the Annual Financial Statements

Figures in Rand

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Audio Visual Equipment	464 831	(464 831)	-	458 031	(458 031)	-
Furniture and fixtures	643 806	(643 806)	-	643 806	(643 806)	-
Motor vehicles	856 705	(856 705)	-	856 705	(856 705)	-
Office equipment	133 819	(133 819)	-	133 819	(133 819)	-
IT equipment	5 486 184	(5 486 184)	-	5 486 184	(5 486 184)	-
Computer software	59 589	(59 589)	-	59 589	(59 589)	-
Tools and Ground Equipment	559 234	(559 234)	-	559 234	(559 234)	-
Cleaning Equipment	45 597	(45 597)	-	45 597	(45 597)	-
Music and Sports Equipment	123 911	(123 911)	-	123 911	(123 911)	-
Total	8 373 676	(8 373 676)	-	8 366 876	(8 366 876)	-

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Audio Visual Equipment	-	6 800	(6 800)	-

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Audio Visual Equipment	-	31 005	(31 005)	-
Office equipment	-	7 499	(7 499)	-
IT equipment	-	206 322	(206 322)	-
Computer software	-	6 192	(6 192)	-
Cleaning Equipment	-	9 999	(9 999)	-
	-	261 017	(261 017)	-

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 894 792	2 392 137
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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
4. Trade and other payables		
Trade payables	(1)	(1)
Amounts received in advance	681 500	704 208
Payroll Accruals	313 959	259 131
Accrued expenses	146 575	319 448
Accrued audit fees	49 500	49 500
Deposits received	380 561	312 520
	1 572 094	1 644 806
5. Revenue		
Fees	23 884 957	22 859 506

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
6. Other income		
Rental income	765 402	833 335
Income from fundraising activities	535 788	413 896
Other income	27 973	40 290
Income from non-refundable GrO deposits	276 500	338 450
Government grants	533 940	527 681
	2 139 603	2 153 652
7. Investment revenue		
Interest revenue		
Bank	293 137	248 031
Interest charged on trade and other receivables	14 463	19 623
	307 600	267 654
8. Finance costs		
9. Auditors' remuneration		
Fees	55 866	120 109
10. Cash generated from operations		
Profit before taxation	635 567	891 939
Adjustments for:		
Depreciation and amortisation	6 800	261 016
Interest received - investment	(307 600)	(267 654)
Other non-cash items	(60 200)	-
Changes in working capital:		
Trade and other receivables	-	1 200
Trade and other payables	(72 712)	(202 303)
	201 855	684 198

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Detailed Income Statement

Figures in Rand	Notes	2018	2017
Revenue			
Rendering of services		23 884 957	22 859 506
Other income			
Fundraising Income		535 788	413 896
Government grants		533 940	527 681
Interest received	7	307 600	267 654
Other income		27 973	40 290
Rental income		765 402	833 335
School Fee Deposits GRO		276 500	338 450
		2 447 203	2 421 306
Expenses (Refer to page 18)		(25 696 593)	(24 388 873)
Profit for the year		635 567	891 939

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Detailed Income Statement

Figures in Rand	Notes	2018	2017
Operating expenses			
Advertising		(4 368)	(150)
Auditors remuneration	9	(55 866)	(120 109)
Bank charges		(136 422)	(128 157)
Building and Site Maintenance		(2 137 900)	(2 378 286)
Building and Site Projects		(1 599)	(276 457)
Computer expenses		(1 572 033)	(688 966)
Consulting and professional fees		(346 867)	(472 077)
Depreciation		(6 800)	(261 016)
Educational Aids		(625 484)	(635 706)
Employee costs		(16 507 808)	(15 542 192)
Extramurals		(780 902)	(778 608)
First Aid		(16 310)	(14 321)
Insurance		(425 008)	(404 120)
Legal expenses		(208 194)	(139 213)
Motor vehicle expenses		(64 814)	(75 879)
Municipal expenses		(1 538 682)	(1 214 753)
Postage		(495)	(750)
Printing		(326 620)	(230 930)
School Functions		(99 580)	(99 262)
School Magazine		(109 313)	(94 441)
Staff welfare		(309 001)	(334 324)
Stationery		(187 330)	(195 920)
Subscriptions		(33 772)	(30 685)
Telephone and fax		(155 301)	(176 668)
Tours		(43 063)	(90 156)
Travel - local		(3 061)	(5 727)
		(25 696 593)	(24 388 873)