



Starfish[®]
GREATHEARTS FOUNDATION
LIFE, HOPE AND OPPORTUNITY

Starfish Greathearts Foundation NPC
(Registration number 2003/002865/08)
Financial statements
for the year ended 31 March 2022

Starfish Greathearts Foundation NPC

(Registration number: 2003/002865/08)

Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Supports orphaned or vulnerable children through partnership with community based organizations.
Directors	L Killops E Kubie GH Allcock H Saloojee SRV Govender-Hlahatsi MS Manqele M Allcock
Registered office	Block A Vuyani Office Park 151 Katherine Street Sandton Gauteng 2196
Postal address	P O Box 2664 Rivonia Johannesburg Gauteng 2128
Bankers	Standard Bank
Reviewers	Bulumko Bemvelo Advisory Services (Pty) Ltd A company of registered Chartered Accountants

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Level of assurance

These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

Maki Semakaleng Modisakeng CA(SA)

Published

04 October 2022

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 basis of accounting described in Note 1.

The 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 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 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 18 November 2023 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 independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on page 5 - 6.

The financial statements set out on page 7 to 18 which have been prepared on the going concern basis, were approved by the board of directors on 18 November 2022 and were signed on its behalf by:

Approval of financial statements

L.T.L Killops

M.S Manqele

Starfish Greathearts Foundation NPC

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Directors' Report

The directors have pleasure in submitting their report on the financial statements of Starfish Greathearts Foundation NPC and its associates for the year ended 31 March 2022.

1. Review of financial results and activities

Starfish experienced the late effects of the Covid Impact was felt in the current year, culminating in less donations from our international donors due to constraints to fundraise and reduced corporate spending on CSI initiatives.

In addition, activities within the CBOs had also reduced due to low attendance rates within the CBOs, as many of the parents had lost their jobs and were not sending the children to ECD and OVC centers.

One of Wellness Wagons was out of commission for the full year, which resulted in R900 000 less in donations for the running and maintenance of the clinic.

Due to the constraint in donations raised during the year, cost re-structuring initiatives were undertaken which resulted in additional costs relating to human resource restructuring as well as the cost of retrenchment packages.

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

2. 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.

3. Going concern

The 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 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.

4. Review

The financial statements are subject to an independent review and have been reviewed by Bulumko Bemvelo Advisory Services (Pty) Ltd

The financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the board of directors on Friday, 18 November 2022, and were signed on its behalf by:

Approval of financial statements

LT Killops
Friday, 18 November 2022

MS Manqele
Chairperson
Friday, 18 November 2022



INDEPENDENT REVIEWER'S REPORT

To The Directors of Starfish Greathearts Foundation NPC

Report on the Financial Statements

We have reviewed the financial statements of Starfish Greathearts Foundation NPC, set out on pages 7 to 18, which comprise the statement of financial position as at 31 March 2022 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We have conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE pri2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures primarily consists of making inquiries of management and others within the entity, as appropriate, and by applying analytical procedures, and evaluates evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Starfish Greathearts Foundation NPC, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act

The financial statements include the Directors' Report as required by the Companies Act of South Africa. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.



In connection with our independent review of the financial statements, our responsibility is to read the read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements our knowledge obtained in the independent review, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.

Bulumko Bemvelo Advisory Services
Esethu Dokomfana
Director
CA (SA)
04 October 2022

Starfish Greathearts Foundation NPC

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Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	210 396	405 389
Current Assets			
Inventories	3	12 287	24 574
Trade and other receivables	4	52 797	407 135
Cash and cash equivalents	5	6 039 782	7 782 127
		6 104 866	8 213 836
Total Assets		6 315 262	8 619 225
Equity and Liabilities			
Equity			
Retained income		6 097 719	8 357 955
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	6	118 316	118 316
Current Liabilities			
Trade and other payables	8	36 632	41 023
Provisions	7	62 590	101 934
		99 222	142 957
Total Liabilities		217 538	261 273
Total Equity and Liabilities		6 315 257	8 619 228

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Funds earned	9	4 447 639	8 836 334
Project disbursements	10	(3 724 370)	(5 077 839)
Gross profit		723 269	3 758 495
Other income	11	318 678	1 679 498
Operating expenses	12	(3 302 183)	(3 211 864)
Operating (loss) profit		(2 260 236)	2 226 129
Net surplus/(Loss) for the year		(2 260 236)	2 226 129
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(2 260 236)	2 226 129

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2020	6 131 826	6 131 826
Profit for the year	2 226 129	2 226 129
Other comprehensive income	-	-
Total comprehensive income for the year	2 226 129	2 226 129
Balance at 01 April 2021	8 357 955	8 357 955
Loss for the year	(2 260 236)	(2 260 236)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2 260 236)	(2 260 236)
Balance at 31 March 2022	6 097 719	6 097 719
Note(s)		

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Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash (used in) generated from operations	15	<u>(1 742 344)</u>	<u>2 144 181</u>
Cash flows from financing activities			
Finance lease payments		<u>-</u>	<u>118 316</u>
Total cash movement for the year		(1 742 344)	2 262 497
Cash at the beginning of the year		<u>7 782 127</u>	<u>5 519 629</u>
Total cash at end of the year	5	<u>6 039 783</u>	<u>7 782 126</u>

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Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements are prepared in terms of IFRS for SMEs. The 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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:

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.

1.2 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities that are adopted by the Company are as follows:

Financial assets which are equity instruments:

Mandatorily at fair value through profit or loss; or

Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading, or which are contingent consideration in a business combination).

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Accounting Policies

1.2 Financial instruments (continued)

Financial assets which are debt instruments:

Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

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 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.4 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 or investment property on the cost model 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.

1.5 Employee benefits

1.6 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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Accounting Policies

1.6 Provisions and contingencies (continued)

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.7 Revenue

Funds earned is recognised upon receipts of donations to the organization. measured at the fair value of the consideration received or receivable.

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

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Notes to the Financial Statements

Figures in Rand

2022

2021

2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Motor vehicles	1 208 928	(1 073 196)	135 732	1 208 920	(943 864)	265 056
Office equipment	41 663	(39 304)	2 359	41 663	(36 498)	5 165
IT equipment	-	-	-	13 565	-	13 565
Computer software	157 755	(85 450)	72 305	157 755	(36 152)	121 603
Other property, plant and equipment	53 040	(53 040)	-	53 040	(53 040)	-
Total	1 461 386	(1 250 990)	210 396	1 474 943	(1 069 554)	405 389

Reconciliation of property, plant and equipment - 2022

	Opening balance	Other changes, movements	Depreciation	Closing balance
Motor vehicles	265 056	8	(129 332)	135 732
Office equipment	5 165	-	(2 806)	2 359
IT equipment	13 565	-	(13 565)	-
Computer software	121 603	1	(49 299)	72 305
	405 389	9	(195 002)	210 396

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Motor vehicles	399 979	(134 923)	265 056
Office equipment	8 172	(3 007)	5 165
IT equipment	46 287	(32 722)	13 565
Computer software	157 755	(36 152)	121 603
	612 193	(206 804)	405 389

Details of properties

3. Inventories

Inventories	12 287	24 574
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4. Trade and other receivables

Trade receivables	4 790	403 759
VAT	48 007	3 376
	5 2 797	407 135

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		1 194
Bank balances	6 039 782	7 780 933
	6 039 782	7 782 127

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Notes to the Financial Statements

Figures in Rand 2022 2021

6. Finance lease liabilities

Minimum lease payments which fall due

- in second to fifth year inclusive 118 316 118 316

Pertains to licensing of Netsuite

7. Provisions

Reconciliation of provisions - 2022

	Opening balance	Utilised during the year	Closing balance
Provisions for employee benefits	101 934	(39 344)	62 590

8. Trade and other payables

Trade payables	10 886	18 295
Accrued expense	25 746	22 728
	<u>36 632</u>	<u>41 023</u>

9. Revenue

Funds earned	4 248 599	8 603 482
Interest received (trading)	199 040	232 852
	<u>4 447 639</u>	<u>8 836 334</u>

10. Cost of sales

Rendering of services

Project disbursements 3 724 370 5 077 839

11. Other income

Fees earned	-	44 786
Recoveries	318 678	1 634 712
	<u>318 678</u>	<u>1 679 498</u>

12. Operating expenses

Operating expenses include the following expenses:

Depreciation and amortization	195 002	206 804
Employee costs	1 918 576	2 237 631

13. Employee cost

Employee costs

Basic 1 918 576 2 237 631

14. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

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Notes to the Financial Statements

Figures in Rand	2022	2021
14. Depreciation, amortisation and impairments (continued)		
Depreciation		
Property, plant and equipment	195 002	206 804
15. Cash (used in) generated from operations		
(Loss) profit before taxation	(2 260 236)	2 226 129
Adjustments for:		
Depreciation and amortization	195 002	206 804
Movements in provisions	(39 344)	101 934
Changes in working capital:		
Inventories	12 287	(24 574)
Trade and other receivables	354 338	(407 135)
Trade and other payables	(4 391)	41 023
	(1 742 344)	2 144 181

16. Going concern

The 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 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.

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Funds earned		4 248 599	8 603 482
Interest received		199 040	232 852
	9	<u>4 447 639</u>	<u>8 836 334</u>
Cost of sales			
Opening stock		(24 574)	-
Purchases		(3 712 083)	(5 102 413)
Closing stock		12 287	24 574
	10	<u>(3 724 370)</u>	<u>(5 077 839)</u>
Gross profit		723 269	3 758 495
Other income			
Fees earned		-	44 786
Recoveries		318 678	1 634 712
		<u>318 678</u>	<u>1 679 498</u>
Expenses (Refer to page 18)		(3 302 183)	(3 211 864)
(Loss) profit for the year		<u>(2 260 236)</u>	<u>2 226 129</u>

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Operating expenses			
Accounting fees		(72 525)	(25 000)
Administration and management fees		(1 265)	-
Advertising		(59 752)	(34 796)
Bank charges		(26 105)	(36 387)
Cleaning		(13 535)	(834)
Computer expenses		(51 535)	-
Consulting and professional fees		(304 829)	(15 283)
Depreciation, amortisation and impairments		(195 002)	(206 804)
Employee costs		(1 918 576)	(2 237 631)
Events and campaigns expenses		(16 624)	-
Fundraising expenses		(15 917)	(62 185)
Payroll service fees		(21 482)	(23 850)
Refreshments and Catering		(23 141)	(511)
Storage		(11 774)	(7 224)
IT expenses		(113 756)	(129 747)
Insurance		(210 913)	(196 039)
Levies		(12 691)	(65 914)
Motor Vehicle Expenses		(127 831)	(12 279)
Postage		(1 334)	(662)
Printing and stationery		(21 504)	(14 461)
Repairs and maintenance		(7 876)	(92 028)
Staff welfare		(10 424)	-
Telephone and fax		(19 883)	(50 229)
Travel – local		(43 909)	-
		(3 302 183)	(3 211 864)