

BREAKTHROUGH ADVENTURES NPC
(Registration number 2006/020308/08)
Trading as Whale Coast FM
Financial statements
for the year ended 29 February 2016

BREAKTHROUGH ADVENTURES NPC

(Registration number 2006/020308/08)

Trading as Whale Coast FM

Financial Statements for the year ended 29 February 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	community radio station
Directors	J Mathew J Marshall M M Sithonga
Registered office	26 High Street Hermanus 7200
Business address	Gateway Centre Main Road Hermanus 7200
Postal address	P O Box 1741 Hermanus 7200
Bankers	Nedbank
Compiler	D M Adams Chartered Accountant (S.A.)
Company registration number	2006/020308/08

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

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Level of assurance

These financial statements have not been audited or independently reviewed.

Preparer

D M Adams

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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 Companies Act 71 of 2008.

The financial statements are prepared in accordance with the Companies Act 71 of 2008 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 28 February 2017 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.

Director

Director

D M Adams

Chartered Accountant (South Africa)

26 High Street,
Hermanus, 7200

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Practitioner's Compilation Report

To BREAKTHROUGH ADVENTURES NPC

On the basis of information provided by the directors I have compiled, in accordance with the statement of International Standard on Related Services applicable to compilation engagements, the statement of financial position of BREAKTHROUGH ADVENTURES NPC at 29 February 2016 and statements of income and cash flows for the year then ended. The directors are responsible for these financial statements. I have not audited or reviewed these financial statements, and accordingly express no assurance thereon.

D M Adams

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Directors' Report

The directors have pleasure in submitting their report on the financial statements of BREAKTHROUGH ADVENTURES NPC and its associates for the year ended 29 February 2016.

1. Nature of business

BREAKTHROUGH ADVENTURES NPC was incorporated in South Africa with interests in the Services industry. The company operates in South Africa, rest of Africa and Europe.

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

2. Review of financial results and activities

The financial statements have been prepared in accordance with the Companies Act 71 of 2008 and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

3. Directors

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

Directors	Changes
J Mathew	
J Marshall	
H C Scrooby	Resigned 12 May 2015
M M Sithonga	

4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

5. 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.

6. Going concern

The directors have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and do not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The financial statements have accordingly not been prepared on the going concern basis.

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Statement of Financial Position as at 29 February 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	61,649	77,572
Revaluation of plant and equipment	3	214,000	214,000
		275,649	291,572
Current Assets			
Trade and other receivables	4	44,320	18,118
Cash and cash equivalents	5	67,104	13,588
		111,424	31,706
Total Assets		387,073	323,278
Equity and Liabilities			
Equity			
Reserves		214,000	214,000
Accumulated loss		(223,442)	(373,015)
		(9,442)	(159,015)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	310,061	310,061
Current Liabilities			
Trade and other payables	7	86,454	172,232
Total Liabilities		396,515	482,293
Total Equity and Liabilities		387,073	323,278

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue	8	754,264	731,678
Other income		-	13,076
Operating expenses		(604,691)	(818,017)
Operating profit (loss)	9	149,573	(73,263)
Profit (loss) for the year		149,573	(73,263)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		149,573	(73,263)

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Statement of Changes in Equity

Figures in Rand	Revaluation reserves	Accumulated loss	Total equity
Balance at 01 March 2014	-	(299,752)	(299,752)
Loss for the year	-	(73,263)	(73,263)
Other comprehensive income	214,000	-	214,000
Total comprehensive loss for the year	214,000	(73,263)	140,737
Balance at 01 March 2015	214,000	(373,015)	(159,015)
Profit for the year	-	149,573	149,573
Total comprehensive income for the year	-	149,573	149,573
Balance at 29 February 2016	214,000	(223,442)	(9,442)

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	12	53,516	41,273
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(51,148)
Cash flows from financing activities			
Repayment of other financial liabilities		-	(190)
Net cash from financing activities		-	(190)
Total cash movement for the year		53,516	(10,065)
Cash at the beginning of the year		13,588	23,653
Total cash at end of the year	5	67,104	13,588

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Financial Statements for the year ended 29 February 2016

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Companies Act 71 of 2008, 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.

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, which is as follows:

Item	Average useful life
Furniture & Fittings	10 years
Studio Equipment	3 years
Leasehold Improvements	10 years
IT equipment	3 years
Broadcasting equipment	3 years
Computer software	3 years

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.

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

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Accounting Policies

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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.

1.4 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.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.5 Borrowing costs

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

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Notes to the Financial Statements

Figures in Rand

2016

2015

2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Leasehold Improvements	6,360	(4,559)	1,801	6,360	(3,923)	2,437
Furniture and fixtures	118,767	(58,920)	59,847	118,768	(43,634)	75,134
Office equipment	301,272	(301,271)	1	301,272	(301,271)	1
Computer software	1,637	(1,637)	-	1,637	(1,637)	-
Total	428,036	(366,387)	61,649	428,037	(350,465)	77,572

Reconciliation of property, plant and equipment - 2016

	Opening balance	Depreciation	Total
Leashold Property	2,437	(636)	1,801
Furniture and fixtures	75,134	(15,287)	59,847
Office equipment	1	-	1
	77,572	(15,923)	61,649

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Leasehold Improvements	3,074	-	(637)	2,437
Furniture and fixtures	39,272	51,148	(15,286)	75,134
Equipment	1,661	-	(1,660)	1
	44,007	51,148	(17,583)	77,572

3. Revaluation of plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Goodwill	214,000	-	214,000	214,000	-	214,000

4. Trade and other receivables

Trade receivables	44,320	18,118
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	67,104	13,588
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Notes to the Financial Statements

Figures in Rand	2016	2015
6. Other financial liabilities		
At amortised cost		
J Mathew	310,061	310,061
The loan is unsecured, interest at nil (2015 nil) has been charged and no dates of repayment have been set. The loan is subordinated in favour of other creditors.		
Non-current liabilities		
At amortised cost	310,061	310,061
7. Trade and other payables		
Trade payables	86,454	147,232
Souht African Revenue Services	-	25,000
	86,454	172,232
8. Revenue		
Rendering of services	754,264	731,678
9. Operating profit (loss)		
Operating profit (loss) for the year is stated after accounting for the following:		
Operating lease charges		
Premises & RFG		
• Contractual amounts	131,404	122,547
Depreciation on property, plant and equipment	15,922	17,583
Employee costs	355,381	503,246
10. Taxation		
No provision has been made for 2016 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (265,740) (2015: R 423,013).		
11. Compiler's remuneration		
Fees	7,700	7,000
12. Cash generated from operations		
Profit (loss) before taxation	149,573	(73,263)
Adjustments for:		
Depreciation and amortisation	15,922	17,583
Other non-cash items	1	-
Changes in working capital:		
Trade and other receivables	(26,202)	12,352
Trade and other payables	(85,778)	84,601
	53,516	41,273

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Notes to the Financial Statements

Figures in Rand	2016	2015
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13. Contingencies

There is a contingent liability to Samro of R54 101 in respect of music royalties as determined by Samro.

14. Directors' remuneration

Executive

2016

2015

	Emoluments	Other benefits*	Total
J Mathew	113,244	36,308	149,552

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Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue			
Rendering of services		754,264	731,678
Other income			
Members subscriptions		-	13,076
Expenses (Refer to page 16)		(604,691)	(818,017)
Profit (loss) for the year		149,573	(73,263)

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Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Operating expenses			
Accounting fees		(4,935)	-
Advertising		(5,040)	(13,780)
Assessment rates & municipal charges		(6,312)	(5,325)
Auditors remuneration	11	(7,700)	(7,000)
Bank charges		(279)	(338)
Cleaning		(1,374)	(4,903)
Commission paid		(444)	-
Contractors		-	(1,350)
Depreciation, amortisation and impairments		(15,922)	(17,583)
Employee costs		(355,381)	(503,246)
Entertainment		(2,896)	(527)
Licence fees		(1,040)	(7,271)
Small assets		-	(1,865)
Equipment Hire		(6,899)	(1,780)
Insurance		(16,406)	(18,049)
Lease rentals on operating lease		(131,404)	(122,547)
Motor vehicle expenses		(1,300)	(4,751)
Courier & Postage		(1,454)	(1,239)
Printing and stationery		(2,923)	(10,444)
Repairs and maintenance		-	(4,492)
Music royalties and streaming		-	(56,101)
Security		(2,160)	(2,740)
Staff welfare		(1,214)	(3,753)
Subscriptions		(8,389)	(5,700)
Telephone and fax		(31,219)	(22,983)
Travel - local		-	(250)
		(604,691)	(818,017)

BREAKTHROUGH ADVENTURES NPC

(Tax registration number)

(Registration number 2006/020308/08)

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Tax Computation

Figures in Rand	2016
Net profit per income statement	149,573
Temporary differences	
Depreciation according to financial statements	15,922
Wear and tear allowance (s 11(e))	(15,922)
	-
Calculated tax profit for the year	149,573
Assessed loss brought forward	(423,013)
Assessed loss for 2016 - carried forward	(273,440)
Tax thereon @ 28%% in the Rand	Nil