BAXTERS
Registered accountants and auditors

South African Breastmilk Reserve NPC
(Registration number 2005/024165/08)
Financial statements
for the year ended 28 February 2022

These financial statements were prepared by:
Transaction Advisory Consulting
Chartered Accountant (South Africa)

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To reduce the infant mortality rate at perinatal stage through the establishment of human milk banks thoughout the country, as well as providing educational and support services in the safe and effective use of human milk in perinatal care.
Directors	J.S Druker S.Jordan A Ntsho Z.F. Buthelezi N.C. Chandiwana
Registered office	The Media Mill 7 Quince Street Millpark 2092
Business address	23 Montrose Estate Montrose Avenue Northriding 2194
Postal address	Postnet Suite 158 Private Bag X9 Melville 2109
Auditors	Baxters Chartered Accountants (SA) Registered Auditor 79A Stiglingh Road Rivonia 2128
Secretary	MHF Secreterial Services
Tax reference number	9434717154
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were internally compiled by: Transaction Advisory Consulting Chartered Accountant (South Africa)

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

Level of assurance

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

Published

16 August 2022

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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The 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 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 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 external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 7 - 6.

The financial statements set out on pages 7 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 16 August 2022 and were signed on its behalf by:

Approval of financial statements

J.S Druker

S.Jordan

N.C. Chandiwana

A Ntsho

Z.F. Buthelezi

Tuesday, 16 August 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of South African Breastmilk Reserve NPC and its associates for the year ended 28 February 2022.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. 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.

2. Directors

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

Directors	
J.S Druker	
S.Jordan	
M.H Masango	Resigned Wednesday, 29 September 2021
A Ntsho	
Z.F. Buthelezi	
N.C. Chandiwana	

3. Property, plant and equipment

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

At 28 February 2022 the company's investment in property, plant and equipment amounted to R477 177 (2021:R616 837), of which R- (2021: R698 301) was added in the current year through additions.

4. 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.

5. Auditors

Baxters continued in office as auditors for the company for 2022.

6. Secretary

The company secretary is MHF Secreterial Services.

BAXTERS
Registered accountants and auditors

Independent Auditor's Report

To the Shareholders of South African Breastmilk Reserve NPC

Opinion

We have audited the financial statements of South African Breastmilk Reserve NPC (the company) set out on pages 7 to 19, which comprise the statement of financial position as at 28 February 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Breastmilk Reserve NPC as at 28 February 2022, 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.

Basis for Opinion

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 Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "South African Breastmilk Reserve NPC financial statements for the year ended 28 February 2022", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 20, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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.

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Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

BP Meth

Baxters
B.P Meth
Partner
Chartered Accountants (SA)
Registered Auditor
16 August 2022
Rivonia

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Statement of Financial Position as at 28 February 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	477 177	616 837
Current Assets			
Trade and other receivables	3	47 642	709 386
Cash and cash equivalents	4	351 517	-
		399 159	**709 386**
Total Assets		**876 336**	**1 326 223**
Equity and Liabilities			
Equity			
Accumulated loss		(166 189)	(24 440)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	59 319	254 659
Finance lease liabilities	6	517 660	642 797
		576 979	**897 456**
Current Liabilities			
Trade and other payables	7	342 497	336 319
Finance lease liabilities	6	123 049	112 106
Bank overdraft	4	-	4 782
		465 546	**453 207**
Total Liabilities		**1 042 525**	**1 350 663**
Total Equity and Liabilities		**876 336**	**1 326 223**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	8	5 462 926	4 878 496
Cost of sales	9	(1 773 342)	(1 637 810)
Gross profit		**3 689 584**	**3 240 686**
Other income	10	-	258 362
Operating expenses	11	(3 767 132)	(3 684 743)
Operating loss		**(77 548)**	**(185 695)**
Finance costs	1.11	(64 201)	(45 484)
Loss for the year		**(141 749)**	**(231 179)**

Statement of Changes in Equity

Figures in Rand	Accumulated loss	Total equity
Balance at 01 March 2020	206 739	206 739
Loss for the year	(231 179)	(231 179)
Balance at 01 March 2021	(24 440)	(24 440)
Loss for the year	(141 749)	(141 749)
Balance at 28 February 2022	(166 189)	(166 189)

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from (used in) operations	16	730 034	(395 203)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(698 301)
Cash flows from financing activities			
Proceeds from other financial liabilities		-	254 659
Repayment of other financial liabilities		(195 340)	-
Finance lease (payments)/receipts		(178 395)	709 419
Net cash from financing activities		**(373 735)**	**964 078**
Total cash movement for the year		**356 299**	**(129 426)**
Cash at the beginning of the year		(4 782)	124 644
Total cash at end of the year	4	**351 517**	**(4 782)**

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 International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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:

Item	Depreciation method	Average useful life
Furniture and fixtures	Diminishing balance	10 years
Motor vehicles	Diminishing balance	5 years
Office equipment	Diminishing balance	5 years
IT equipment	Diminishing balance	3 years
Milkbank equipment	Diminishing balance	5 years

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

Initial measurement

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

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.

Derivatives

Derivative financial instruments are measured at fair value at each reporting date. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Hedge accounting

The company designates a hedging relationship between a hedging instrument and a hedged item in such a way as to qualify for hedge accounting. In such cases, the gain or loss on the hedging instruments and hedged item are recognised in profit or loss at the same time.

Hedge accounting is only applied when the criteria for hedge accounting are met. Hedge accounting is only applied to the following risks: interest rate risk of a debt instrument at amortised cost; foreign exchange or interest rate risk in a firm commitment or highly probable forecast transaction; price risk of a commodity that it holds or in a firm commitment or highly probable forecast transaction to purchase or sell a commodity; and for foreign exchange risk in a net investment in a foreign operation.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Accounting Policies

1.3 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

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

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases – lessee

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

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

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

1.5 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.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Accounting Policies

1.6 Share capital and equity (continued)

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.7 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Past service costs are recognised immediately as an expense.

Actuarial gains or losses are recognised in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the company is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the statement of income and retained earnings, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.8 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.

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.

Accounting Policies

1.9 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.

1.10 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.

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

1.11 Borrowing costs

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

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
Furniture and fixtures	90 217	(90 216)	1	90 217	(90 216)	1
Motor vehicles	698 302	(221 129)	477 173	698 302	(81 469)	616 833
Office equipment	47 812	(47 811)	1	47 812	(47 811)	1
IT equipment	80 693	(80 692)	1	80 693	(80 692)	1
Milkbank equipment	1 118 608	(1 118 607)	1	1 118 608	(1 118 607)	1
Total	**2 035 632**	**(1 558 455)**	**477 177**	**2 035 632**	**(1 418 795)**	**616 837**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	1	-	1
Motor vehicles	616 833	(139 660)	477 173
Office equipment	1	-	1
IT equipment	1	-	1
Milkbank equipment	1	-	1
	616 837	**(139 660)**	**477 177**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	8 879	-	(8 878)	1
Motor vehicles	-	698 302	(81 469)	616 833
Office equipment	5 769	-	(5 768)	1
IT equipment	17	-	(16)	1
Milkbank equipment	26 825	(1)	(26 823)	1
	41 490	**698 301**	**(122 954)**	**616 837**

3. Trade and other receivables

	2022	2021
Trade receivables	4 108	665 852
Deposits	43 534	43 534
	47 642	**709 386**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022	2021
Bank balances	351 517	-
Bank overdraft	-	(4 782)
	351 517	**(4 782)**

	2022	2021
Current assets	351 517	-
Current liabilities	-	(4 782)
	351 517	**(4 782)**

Notes to the Financial Statements

Figures in Rand	2022	2021

5. Other financial liabilities

At amortised cost		
Loans from director - S Jordan	59 319	254 659
This loan is unsecured, bears no interest and has no fixed terms of repayment.		
Non-current liabilities		
At amortised cost	59 319	254 659

6. Finance lease liabilities

Net finance lease liabilities

Non-current liabilities	517 660	642 797
Current liabilities	123 049	112 106
	640 709	**754 903**

It is company policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 6 years (6 years) and the average effective borrowing rate is 9% (2021: 9%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases.

The company's obligations under finance leases are secured by the leased assets. Refer note 2.

7. Trade and other payables

Trade payables	20 274	16 000
VAT	92 223	90 319
Provision for warrenties	230 000	230 000
	342 497	**336 319**

8. Revenue

Donation income	537 525	108 074
Milkbank equipment sales	254 823	764 471
Milkbank establishment, administration and support services	3 306 662	2 826 478
Private receipts	1 363 916	1 179 473
	5 462 926	**4 878 496**

9. Cost of sales

Milkbank		
Co-ordination fees	99 000	182 361
Collection costs	885 048	644 534
Machinery repair	33 322	137 496
Milkbank equipment purchases/refurbishment	381 667	352 770
Monitoring costs	59 854	46 806
Travel and distribution	314 451	273 843
	1 773 342	**1 637 810**

Notes to the Financial Statements

Figures in Rand	2022	2021

10. Other income

Government grants	-	258 362

11. Operating expenses

Operating expenses include the following expenses:

Operating lease charges		
Premises		
• Contractual amounts	340 729	314 132
Depreciation and amortisation	139 660	122 954
Employee costs	2 228 378	2 006 303

12. Auditor's remuneration

Fees	-	15 500

13. Depreciation, amortisation and impairments

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

Depreciation		
Property, plant and equipment	139 660	122 954

14. Finance costs

Finance leases	64 201	45 484

15. Taxation

Non provision of tax

No provision has been made for 2022 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R - (2021: R -).

16. Cash generated from (used in) operations

Loss before taxation	(141 749)	(231 179)
Adjustments for:		
Depreciation and amortisation	139 660	122 954
Finance costs	64 201	45 484
Changes in working capital:		
Trade and other receivables	661 744	(287 690)
Trade and other payables	6 178	(44 772)
	730 034	**(395 203)**

Notes to the Financial Statements

Figures in Rand	2022	2021

17. Directors' and prescribed officer's remuneration

Executive

2022

Directors' emoluments	Basic salary	Benefits	Total
Services as director or prescribed officer			
S.Jordan	692 701	129 240	821 941

2021

Directors' emoluments	Basic salary	Benefits	Total
Services as director or prescribed officer			
S.Jordan	696 707	132 480	829 187

South African Breastmilk Reserve NPC

(Registration number: 2005/024165/08)
Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue	8	5 462 926	4 878 496
Cost of sales	9	(1 773 342)	(1 637 810)
Gross profit		3 689 584	3 240 686
Other income			
Government grants		-	258 362
Operating expenses			
Accounting fees		221 291	167 101
Advertising		59 879	62 645
Auditors remuneration	12	-	15 500
Bank charges		21 785	31 374
Computer expenses		55 566	87 398
Consulting and professional fees		235 855	301 602
Depreciation, amortisation and impairments		139 660	122 954
Donations		-	145 411
Employee costs		2 228 378	2 006 303
General expenses		583	-
Insurance		132 223	119 818
Lease rentals on operating lease		340 729	314 132
Motor vehicle expenses		93 738	56 614
Postage		-	840
Printing and stationery		39 396	16 018
Repairs and maintenance		44 092	31 389
Staff welfare		41 333	81 087
Subscriptions		8 818	12 836
Telephone and fax		68 462	83 780
Training		32 157	27 941
Travel - local		3 187	-
		3 767 132	**3 684 743**
Operating loss		(77 548)	(185 695)
Finance costs	1.11	(64 201)	(45 484)
Loss for the year		**(141 749)**	**(231 179)**

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