

VULAMASANGO
(REGISTRATION NUMBER 065-759-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

Vulamasango

Annual Financial Statements for the year ended 28 February 2011

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

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Report of the Independent Auditor

To the directors of Vulamasango

I have audited the accompanying annual financial statements of Vulamasango, which comprise the directors' report, the balance sheet as at 28 February 2011, the income statement and the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 12.

Directors' Responsibility for the Financial Statements

The organisation's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as per Note 1, and in the manner required by the the organisation's constitution. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I 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 auditor's 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 the directors, as well as evaluating the overall presentation of the annual financial statements.

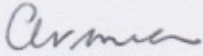
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Qualification

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

Opinion

In my opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of the organisation as of 28 February 2011, and of its financial performance for the year then ended in accordance with the basis of accounting described in note 1.



**Armien Chartered Accountants (SA)
Registered Auditor
Per: Gaarieth Armien
Century City**

10 November 2011

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Annual Financial Statements for the year ended 28 February 2011

Directors' Report

The directors submit their report for the year ended 28 February 2011.

1. The organisation

The organisation was formed as a non governmental organisation in terms of its constitution dated 09 September 2008 and approved as a Non-profit organisation by the Department of Social Development on the 09 December 2008.

2. Review of activities

Mission, Vision and Objectives

Mission

To enhance and promote the physical, social, emotional and intellectual well-being of children and youth aged 0 to 21 years from disadvantaged communities in South Africa.

Vision

To establish a multi-purpose facility delivering services to children in need by offering various programmes as well as temporary and/or permanent institutionalised care to children of the disadvantaged residential areas of Cape Town. These services will be established in accordance with the immediate and adapted to the changing needs of the community. The services will be delivered based on the child-rearing techniques and philosophical principles set out by Rudolf Steiner (commonly known as Waldorf Education).

The Objectives

The organisation's main objectives are to address the growing issue of children being orphaned, abused or neglected by the spread of crime, alcohol abuse, poverty and HIV/Aids and other illnesses in a holistic and sustainable manner. This will include:

- Creating a temporary or permanent place of safety for children who cannot be adopted or taken in by foster families. This will include creating living conditions closely resembling those of a family, i.e. small family-units of no more than 10 children living in a house with a set of caregivers (house parents).
- Establishing a small day-care clinic for the children where they receive specialised medical treatment by a team of dedicated nurses and doctors.
- Establishing extensive food gardens to harvest fresh farm produce for the children and to make a feeding-scheme partly self sustainable. This will help to integrate children into a natural environment where they learn the value of healthy, bio-dynamic farming and a wholesome diet of self produced vegetables.
- Establish an Educare facility for the pre-school children living on the premises according to the principles of Waldorf Education.
- Establishing an After-School care for children and youth aged between 6 and 21 years of age, offering a wide range of structured, professionally supervised schedules of activities to provide children with holistic after school education, skills training and entertainment.

The organisation's secondary objectives are to expand and build on the facilities and service deliveries to children and youth mentioned above. This will particularly include:

- Offering life-skills training programmes to help the children develop skills necessary for successful integration into the community in adulthood, including enrolment into task related interest groups, apprenticeships or educational workshops aimed at learning a trade or vocational skill.
- Facilitating voluntary work/interest groups, such as craft workshops and musical, artistic, gardening or sports activities in order to develop their creativity and aid their physical development.
- Offering therapeutic care by a trained social worker to work through issues such as sexual abuse, domestic violence, the loss of family members etc.
- Developing programmes aimed at prevention. This will include HIV/Aids awareness programmes, cultural and gender identity workshops, life-skills training, fostering awareness on issues such as teenage pregnancy, crime, alcohol abuse etc.

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Directors' Report

3. Directors


The directors of the organisation during the year and to the date of this report are as follows:

Name	Nationality
Florian Michael Kramer	German
Philip Ruther	German
Claire Barry	South African
Heidi Schulz-Aisenbrey	German

4. Auditor

Armien Chartered Accountants (SA) will continue in office for the next financial period.


The annual financial statements set out on pages 4 to 12, which have been prepared on the going concern basis, were approved by the board of directors on 10 November 2011 and were signed on its behalf by:



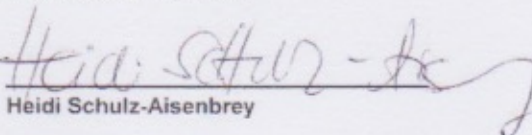
Claire Barry



Philip Ruther



Florian Michael Kramer



Heidi Schulz-Aisenbrey

Century City

10 November 2011

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Annual Financial Statements for the year ended 28 February 2011

Balance Sheet

	Note(s)	2011 R	2010 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	3,548,242	2,832,700
Current Assets			
Trade and other receivables	3	219,362	219,362
Cash and cash equivalents	4	77,769	43,604
		297,131	262,966
Total Assets		3,845,373	3,095,666
Equity and Liabilities			
Equity			
Accumulated surplus		3,804,146	3,081,247
Liabilities			
Current Liabilities			
Trade and other payables	5	41,227	14,419
Total Equity and Liabilities		3,845,373	3,095,666

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Income Statement

	Note(s)	2011 R	2010 R
Donations		2,096,543	1,241,446
Other income			
Other income		22,850	2,850
Interest received	6	2,956	41,172
		25,806	44,022
Operating expenses			
Accounting fees		-	1,060
Auditors remuneration		-	4,100
Bank charges		8,540	8,995
Computer expenses		13,799	14,927
Consulting and professional fees		-	281,250
Depreciation, amortisation and impairments		90,739	23,299
Employee costs		648,750	163,594
General expenses		4,807	1,440
Groceries		60,088	34,683
Hardware		44,274	12,861
Insurance		38,617	21,244
Legal expenses		1,800	7,839
Medical expenses		7,937	1,802
Motor vehicle expenses		115,051	39,128
Outings and camps		1,039	-
Postage		581	1,042
Printing and stationery		4,634	12,702
Program: Adult education		22,842	118,305
Program: Financial Aid		185,949	102,454
Program: Zabalaza		32,059	119,646
Repairs and maintenance		5,059	47,566
Security		1,227	-
Sporting equipment		4,641	1,880
Staff welfare		-	1,738
Telephone and fax		28,515	25,723
Transport and freight		-	4,330
Travel		25,996	16,300
Utilities		52,506	22,517
		1,399,450	1,090,425
Surplus for the year		722,899	195,043

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Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 March 2009	2,886,204	2,886,204
Changes in equity		
Surplus for the year	195,043	195,043
Total changes	195,043	195,043
Balance at 01 March 2010	3,081,247	3,081,247
Changes in equity		
Surplus for the year	722,899	722,899
Total changes	722,899	722,899
Balance at 28 February 2011	3,804,146	3,804,146

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Annual Financial Statements for the year ended 28 February 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the organisation.

1.1 Property, plant and equipment

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

1.4 Provisions and contingencies

Provisions are recognised when:

- the organisation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

1.5 Revenue

Revenue from donations is recognised on receipt thereof by the organisation.

Cash donations are recognised when cash is received from the donors.

Donations other than cash are recognised when an asset is received from the donor.

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

1.6 Translation of foreign currencies

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Annual Financial Statements for the year ended 28 February 2011

Accounting Policies

1.6 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

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Annual Financial Statements for the year ended 28 February 2011

Notes to the Annual Financial Statements

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	3,157,613	-	3,157,613	2,676,814	-	2,676,814
Furniture and fixtures	106,666	(24,480)	82,186	73,185	(5,688)	67,497
Motor vehicles	387,000	(83,363)	303,637	95,000	(15,083)	79,917
IT equipment	11,000	(6,194)	4,806	11,000	(2,528)	8,472
Total	3,662,279	(114,037)	3,548,242	2,855,999	(23,299)	2,832,700

Reconciliation of property, plant and equipment - 2011

	Opening Balance	Additions	Depreciation	Total
Land	2,676,814	480,799	-	3,157,613
Furniture and fixtures	67,497	33,481	(18,792)	82,186
Motor vehicles	79,917	292,000	(68,280)	303,637
IT equipment	8,472	-	(3,666)	4,806
	2,832,700	806,280	(90,738)	3,548,242

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Depreciation	Total
Land	-	2,676,814	-	2,676,814
Furniture and fixtures	-	73,185	(5,688)	67,497
Motor vehicles	-	95,000	(15,083)	79,917
IT equipment	-	11,000	(2,528)	8,472
	-	2,855,999	(23,299)	2,832,700

Details of properties

Property

Remainder Farm Frylincks Poort No.789, Cape Division

- Purchase price:	2,618,696	2,618,696
- Additions since purchase or valuation	538,917	58,118
	3,157,613	2,676,814

3. Trade and other receivables

Sundry receivables	219,362	219,362
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	38,240	25,883
Bank balances	39,529	17,721
	77,769	43,604

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Annual Financial Statements for the year ended 28 February 2011

Notes to the Annual Financial Statements

	2011 R	2010 R
5. Trade and other payables		
Trade payables	4	-
Accrued expense	41,223	14,419
	<u>41,227</u>	<u>14,419</u>
6. Investment revenue		
Interest revenue		
Bank	2,956	41,172
	<u>2,956</u>	<u>41,172</u>

7. Taxation

No provision has been made for 2011 tax as the organisation is registered for tax exemption under section 10 (1)(cN) of the Income Tax Act no. 58 of 1962.

8. Donations

Revenue comprises donations received from various local and international donors.