

**VULAMASANGO  
(REGISTRATION NUMBER 065-759-NPO)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Index

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

<b>Index</b>	<b>Page</b>
Report of the Independent Auditor	2
Directors' Report	3 - 4
Balance Sheet	5
Income Statement	6
Statement of Changes in Equity	7
Accounting Policies	8 - 9
Notes to the Annual Financial Statements	10 - 11



## Report of the Independent Auditor

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### 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 29 February 2016, 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 3 to 11.

### 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.

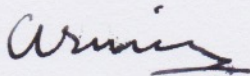
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### 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 29 February 2016, 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**  
**Cape Town**

**29 August 2016**

**Unit 1, Mews 2**  
**Rosmead Centre**  
**67 Rosmead Avenue**  
**Kenilworth**  
**7708**



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Directors' Report

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The directors submit their report for the year ended 29 February 2016.

### 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.



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Directors' Report

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

### 3. Directors

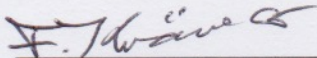
The directors of the organisation during the year and to the date of this report are as follows:

Name	Nationality
Florian Michael Kramer	German
Philip Ruther	German
Ana Paula Kircheisen	Brazilian
Toby Philip Hill	British

### 4. Auditor

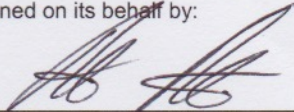
Amrien Chartered Accountants (SA) will continue in office for the next financial period.

The annual financial statements set out on pages 3 to 11, which have been prepared on the going concern basis, were approved by the board of directors on 29 August 2016 and were signed on its behalf by:



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Florian Michael Kramer



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Philip Ruther

Cape Town

29 August 2016



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Balance Sheet

	Note(s)	2016 R	2015 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	16,743,610	10,693,121
<b>Current Assets</b>			
Loans to directors, managers and employees		-	3,000
Trade and other receivables	3	-	13,362
Cash and cash equivalents	4	856,038	4,661,353
		<u>856,038</u>	<u>4,677,715</u>
<b>Total Assets</b>		<u>17,599,648</u>	<u>15,370,836</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		17,588,221	15,361,163
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	11,427	9,673
<b>Total Equity and Liabilities</b>		<u>17,599,648</u>	<u>15,370,836</u>



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Income Statement

	Note(s)	2016 R	2015 R
<b>Income</b>			
Rendering of services		94,775	96,640
Donations		5,257,299	11,128,239
		<b>5,352,074</b>	<b>11,224,879</b>
<b>Other income</b>			
Other income		544	3,442
Interest received	6	104,136	199,323
		<b>104,680</b>	<b>202,765</b>
<b>Operating expenses</b>			
Advertising		49,663	-
Auditors remuneration		33,003	30,541
Bank charges		30,733	46,050
Clothes		47,689	-
Computer expenses		107,873	22,210
Depreciation, amortisation and impairments		205,651	210,660
Employee costs		1,202,234	1,021,222
Employee settlement		23,170	80,000
Fines and penalties		-	209
General expenses		10,631	8,970
Groceries		231,752	210,251
Hardware		87,926	31,198
Hygeine/Beauty		16,575	-
Insurance		57,611	93,491
Legal expenses		6,000	-
Medical expenses		16,436	4,087
Motor vehicle expenses		177,630	191,651
Outings and camps		85,092	59,580
Postage		174	2,398
Printing and stationery		26,068	5,227
Program: Adult education		17,965	28,615
Program: Financial Aid		81,281	193,110
Repairs and maintenance		114,682	7,439
Security		37,338	14,955
Sporting equipment		25,793	11,901
Staff expenses		19,958	14,523
Subscriptions		343	-
Telephone and fax		68,785	51,617
Travel and accommodation		333,717	114,973
Utilities		113,923	163,119
		<b>3,229,696</b>	<b>2,617,997</b>
<b>Surplus for the year</b>		<b>2,227,058</b>	<b>8,809,647</b>



## Vulamasango

Annual Financial Statements for the year ended 29 February 2016

### Statement of Changes in Equity

	Accumulated surplus R	Total equity R
<b>Balance at 01 March 2014</b>	<b>6,551,516</b>	<b>6,551,516</b>
Changes in equity		
Surplus for the year	8,809,647	8,809,647
Total changes	<u>8,809,647</u>	<u>8,809,647</u>
<b>Balance at 01 March 2015</b>	<b>15,361,163</b>	<b>15,361,163</b>
Changes in equity		
Surplus for the year	2,227,058	2,227,058
Total changes	<u>2,227,058</u>	<u>2,227,058</u>
<b>Balance at 29 February 2016</b>	<b><u>17,588,221</u></b>	<b><u>17,588,221</u></b>



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Accounting Policies

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### 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.



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Accounting Policies

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### 1.6 Translation of foreign currencies

#### 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.



# Vulamasango

Annual Financial Statements for the year ended 29 February 2016

## Notes to the Annual Financial Statements

	2016 R	2015 R
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### 2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	15,919,917	-	15,919,917	10,222,802	-	10,222,802
Furniture and fixtures	698,537	(209,321)	489,216	166,801	(154,806)	11,995
Motor vehicles	1,028,406	(717,075)	311,331	1,026,406	(576,928)	449,478
IT equipment	57,887	(34,741)	23,146	32,598	(23,752)	8,846
<b>Total</b>	<b>17,704,747</b>	<b>(961,137)</b>	<b>16,743,610</b>	<b>11,448,607</b>	<b>(755,486)</b>	<b>10,693,121</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening Balance	Additions	Depreciation	Total
Land and buildings	10,222,802	5,697,115	-	15,919,917
Furniture and fixtures	11,995	531,736	(54,515)	489,216
Motor vehicles	449,478	2,000	(140,147)	311,331
IT equipment	8,846	25,289	(10,989)	23,146
	<b>10,693,121</b>	<b>6,256,140</b>	<b>(205,651)</b>	<b>16,743,610</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening Balance	Additions	Depreciation	Total
Land and buildings	5,361,963	4,860,839	-	10,222,802
Furniture and fixtures	21,176	-	(9,181)	11,995
Motor vehicles	643,758	-	(194,280)	449,478
IT equipment	16,046	-	(7,200)	8,846
	<b>6,042,943</b>	<b>4,860,839</b>	<b>(210,661)</b>	<b>10,693,121</b>

#### 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	13,301,221	7,604,106
	<b>15,919,917</b>	<b>10,222,802</b>

### 3. Trade and other receivables

Deposits	-	2,000
Sundry receivables	-	11,362
	<b>-</b>	<b>13,362</b>

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	125,758	32,594
Bank balances	730,280	4,628,759
	<b>856,038</b>	<b>4,661,353</b>



## Vulamasango

Annual Financial Statements for the year ended 29 February 2016

### Notes to the Annual Financial Statements

	2016 R	2015 R
<b>5. Trade and other payables</b>		
Accrued expense	<u>11,427</u>	<u>9,673</u>
<b>6. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	<u>104,136</u>	<u>199,323</u>
<b>7. Taxation</b>		

No provision has been made for 2016 tax as the organisation is registered for tax exemption under section 10 (1)(cN) of the Income Tax Act no. 58 of 1962.