

**VULAMASANGO
(REGISTRATION NUMBER 065-759-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE 4 MONTHS ENDED 28 FEBRUARY 2009**

Report of the Independent Auditors

To the directors of Vulamasango

We have audited the accompanying annual financial statements of Vulamasango, which comprise the directors' report, the balance sheet as at 28 February 2009, the income statement and the statement of changes in equity for the 4 months then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 10.

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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 our 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 2009, and of its financial performance for the 4 months then ended in accordance with the basis of accounting described in note 1.



Pitt Armien Chartered Accountants (SA)

Registered Auditors

Per: Gaarieth Armien

Cape Town

19 February 2010

Vulamasango

Annual Financial Statements for the 4 months ended 28 February 2009

Directors' Report

The directors submit their report for the 4 months ended 28 February 2009.

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 Nonprofit 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. Post balance sheet events

The organisation entered into a contract for the purchase of a property with the description remainder of the Farm Frylincks Poort No. 789 Cape Division during the financial year for which transfer took place after year end.

4. Directors

The directors of the organisation during the 4 months and to the date of this report are as follows:

Name	Nationality
Florian Michael Kramer	German
Philip Ruther	German
Claire Barry	South African

5. Auditors

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


The annual financial statements set out on pages 3 to 10, which have been prepared on the going concern basis, were approved by the board of directors on 19 February 2010 and were signed on its behalf by:



Claire Barry



Florian Michael Kramer



Philip Ruther

Cape Town

19 February 2010

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Annual Financial Statements for the 4 months ended 28 February 2009

Balance Sheet

	Note(s)	2009 R
Assets		
Current Assets		
Other financial assets	2	2 840 235
Cash and cash equivalents	3	45 969
		<u>2 886 204</u>
Total Assets		<u>2 886 204</u>
Equity and Liabilities		
Equity		
Accumulated surplus		2 886 203
Total Equity and Liabilities		<u>2 886 203</u>

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Income Statement

		4 months ended 28 February
	Note(s)	2009 R
Donations		2 885 712
Other income		
Interest received	4	4 184
Operating expenses		
Bank charges		147
Donations		3 546
		3 693
Surplus for the 4 months		2 886 203

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Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
Balance at 01 March 2008	-	-	-
Changes in equity			
Surplus for the 4 months	-	2 886 203	2 886 203
Total changes	-	2 886 203	2 886 203
Balance at 28 February 2009	-	2 886 203	2 886 203
Note(s)			

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Annual Financial Statements for the 4 months ended 28 February 2009

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 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.

1.2 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.

1.3 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.

1.4 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.

1.5 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.

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Accounting Policies

1.5 Translation of foreign currencies (continued)

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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Notes to the Annual Financial Statements

2009
R

2. Other financial assets

At amortised cost

Smith Tabata Buchanan Boyes

2 840 235

Funds held in trust by the above conveyancing attorneys awaiting transfer of property at the Deeds Office in terms of a purchase contract entered into by the organisation for Remainder Farm Frylincks Poort No.789, Cape Division.

Current assets

At amortised cost

2 840 235

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances

45 969

4. Investment revenue

Interest revenue

Bank

4 184

5. Taxation

No provision has been made for 2009 tax as the organisation is in the process of applying for tax exemption under section 10 (1)(cN) of the Income Tax Act no. 58 of 1962.

6. Donations

Revenue comprises donations received from various local and international donors.