

VULAMASANGO
(REGISTRATION NUMBER 065-759-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

Vulamasango

Annual Financial Statements for the year ended 28 February 2014

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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 2014, 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 28 February 2014, 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

27 August 2014

1 Stockley Road
Kenwyn
Cape Town
7780

Vulamasango

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Directors' Report

The directors submit their report for the year ended 28 February 2014.

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

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
Claire Barry	South African
Heidi Schulz-Aisenbrey	German

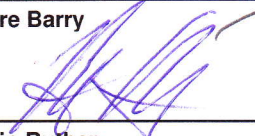
4. Auditor

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

The annual financial statements set out on pages 3 to 11, which have been prepared on the going concern basis, were approved by the board of directors on 27 August 2014 and were signed on its behalf by:




Claire Barry



Philip Ruther



Florian Michael Kramer



Heidi Schulz-Aisenbrey

Cape Town

27 August 2014

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Annual Financial Statements for the year ended 28 February 2014

Balance Sheet

	Note(s)	2014 R	2013 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,042,943	4,499,614
Current Assets			
Loans to directors, managers and employees		3,000	-
Trade and other receivables	3	13,362	13,362
Cash and cash equivalents	4	501,284	72,058
		517,646	85,420
Total Assets		6,560,589	4,585,034
Equity and Liabilities			
Equity			
Accumulated surplus		6,551,509	4,564,254
Liabilities			
Current Liabilities			
Trade and other payables	5	9,080	20,780
Total Equity and Liabilities		6,560,589	4,585,034

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Annual Financial Statements for the year ended 28 February 2014

Income Statement

	Note(s)	2014 R	2013 R
Income			
Rendering of services		105,715	89,510
Donations		4,004,258	2,708,220
		4,109,973	2,797,730
Other income			
Other income		24,086	-
Interest received	6	18,671	1,404
Gains on non-current assets		-	3,856
		42,757	5,260
Operating expenses			
Advertising		9,047	2,540
Auditors remuneration		27,742	22,873
Bank charges		22,797	14,317
Computer expenses		6,001	7,764
Customs clearance fees		-	21,431
Depreciation, amortisation and impairments		217,543	121,421
Donations		2,000	-
Employee costs		920,313	923,074
Fines and penalties		3,541	1,292
General expenses		7,745	8,767
Groceries		169,735	157,112
Hardware		38,279	31,516
Insurance		54,802	37,189
Legal expenses		-	4,485
Medical expenses		2,169	7,367
Motor vehicle expenses		193,976	237,740
Outings and camps		12,406	38,518
Postage		790	750
Printing and stationery		5,381	2,368
Program: Adult education		19,854	53,759
Program: Financial Aid		121,511	212,610
Program: Zabalaza		154,079	44,285
Security		9,469	7,680
Sporting equipment		6,325	7,064
Telephone and fax		41,673	33,842
Travel		27,560	11,376
Utilities		90,650	83,512
		2,165,388	2,094,652
Operating surplus		1,987,342	708,338
Loss on non-current assets held for sale or disposal groups		(87)	-
Surplus for the year		1,987,255	708,338

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Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 March 2012	3,855,916	3,855,916
Changes in equity		
Surplus for the year	708,338	708,338
Total changes	708,338	708,338
Balance at 01 March 2013	4,564,254	4,564,254
Changes in equity		
Surplus for the year	1,987,255	1,987,255
Total changes	1,987,255	1,987,255
Balance at 28 February 2014	6,551,509	6,551,509

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Annual Financial Statements for the year ended 28 February 2014

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.

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Accounting Policies

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.

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Annual Financial Statements for the year ended 28 February 2014

Notes to the Annual Financial Statements

	2014 R	2013 R
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2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	5,361,963	-	5,361,963	4,298,505	-	4,298,505
Furniture and fixtures	166,801	(145,625)	21,176	136,303	(104,283)	32,020
Motor vehicles	1,026,406	(382,648)	643,758	392,000	(222,913)	169,087
IT equipment	32,598	(16,552)	16,046	11,000	(10,998)	2
Total	6,587,768	(544,825)	6,042,943	4,837,808	(338,194)	4,499,614

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Depreciation	Total
Land and buildings	4,298,505	1,063,458	-	5,361,963
Furniture and fixtures	32,020	30,497	(41,341)	21,176
Motor vehicles	169,087	645,319	(170,648)	643,758
IT equipment	2	21,598	(5,554)	16,046
	4,499,614	1,760,872	(217,543)	6,042,943

Reconciliation of property, plant and equipment - 2013

	Opening Balance	Additions	Disposals	Depreciation	Total
Land and buildings	3,401,335	897,170	-	-	4,298,505
Furniture and fixtures	50,010	12,976	-	(30,966)	32,020
Motor vehicles	253,548	40,000	(35,144)	(89,317)	169,087
IT equipment	1,139	-	-	(1,137)	2
	3,706,032	950,146	(35,144)	(121,420)	4,499,614

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	2,743,267	1,679,809
	5,361,963	4,298,505

3. Trade and other receivables

Deposits	2,000	2,000
Sundry receivables	11,362	11,362
	13,362	13,362

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	60,898	53,489
Bank balances	440,386	18,569
	501,284	72,058

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Notes to the Annual Financial Statements

	2014 R	2013 R
5. Trade and other payables		
Trade payables	7	6
Accrued expense	9,073	20,774
	<u>9,080</u>	<u>20,780</u>
6. Investment revenue		
Interest revenue		
Bank	<u>18,671</u>	<u>1,404</u>

7. Taxation

No provision has been made for 2014 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.