

**VULAMASANGO  
(REGISTRATION NUMBER 065-759-NPO)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## Index

---

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



Chartered Accountants (SA)

## 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 2015, 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 2015, 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**

**31 August 2015**

**1 Stockley Road**  
**Kenwyn**  
**Cape Town**  
**7780**

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## 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	Changes
Florian Michael Kramer	German	
Philip Ruther	German	
Claire Barry	South African	Resigned Wednesday, 27 August 2014
Heidi Schulz-Aisenbrey	German	Resigned Wednesday, 27 August 2014
Ana Paula Kircheisen	Brazilian	Appointed Wednesday, 17 September 2014
Toby Philip Hill	British	Appointed Monday, 22 September 2014

### 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 31 August 2015 and were signed on its behalf by:



---

Florian Michael Kramer



---

Philip Ruther

Cape Town

Monday, 31 August 2015

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## Balance Sheet

	Note(s)	2015 R	2014 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	10,693,121	6,042,943
<b>Current Assets</b>			
Loans to directors, managers and employees		3,000	3,000
Trade and other receivables	3	13,362	13,362
Cash and cash equivalents	4	4,661,353	501,284
		<b>4,677,715</b>	<b>517,646</b>
<b>Total Assets</b>		<b>15,370,836</b>	<b>6,560,589</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		15,361,156	6,551,509
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	9,680	9,080
<b>Total Equity and Liabilities</b>		<b>15,370,836</b>	<b>6,560,589</b>

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## Income Statement

	Note(s)	2015 R	2014 R
<b>Income</b>			
Rendering of services		96,640	105,715
Donations		11,128,239	4,004,258
		<b>11,224,879</b>	<b>4,109,973</b>
<b>Other income</b>			
Other income		3,442	24,086
Interest received	6	199,323	18,671
		<b>202,765</b>	<b>42,757</b>
<b>Operating expenses</b>			
Advertising		-	9,047
Auditors remuneration		30,541	27,742
Bank charges		46,050	22,797
Computer expenses		22,210	6,001
Depreciation, amortisation and impairments		210,660	217,543
Donations		-	2,000
Employee costs		1,021,222	920,313
Employee settlement		80,000	-
Fines and penalties		209	3,541
General expenses		8,970	7,745
Groceries		210,251	169,735
Hardware		31,198	38,279
Insurance		93,491	54,802
Medical expenses		4,087	2,169
Motor vehicle expenses		191,651	193,976
Outings and camps		59,580	12,406
Postage		2,398	790
Printing and stationery		5,227	5,381
Program: Adult education		28,615	19,854
Program: Financial Aid		193,110	121,511
Program: Zabalaza		-	154,079
Repairs and maintenance		7,439	-
Security		14,955	9,469
Sporting equipment		11,901	6,325
Staff expenses		14,523	-
Telephone and fax		51,617	41,673
Travel and accommodation		114,973	27,560
Utilities		163,119	90,650
		<b>2,617,997</b>	<b>2,165,388</b>
<b>Operating surplus</b>		<b>8,809,647</b>	<b>1,987,342</b>
Loss on non-current assets held for sale or disposal groups		-	(87)
<b>Surplus for the year</b>		<b>8,809,647</b>	<b>1,987,255</b>



## Vulamasango

Annual Financial Statements for the year ended 28 February 2015

### Statement of Changes in Equity

	Accumulated surplus R	Total equity R
<b>Balance at 01 March 2013</b>	<b>4,564,254</b>	<b>4,564,254</b>
Changes in equity		
Surplus for the year	1,987,255	1,987,255
Total changes	1,987,255	1,987,255
<b>Balance at 01 March 2014</b>	<b>6,551,509</b>	<b>6,551,509</b>
Changes in equity		
Surplus for the year	8,809,647	8,809,647
Total changes	8,809,647	8,809,647
<b>Balance at 28 February 2015</b>	<b>15,361,156</b>	<b>15,361,156</b>

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## 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.



# **Vulamasango**

Annual Financial Statements for the year ended 28 February 2015

## **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.

# Vulamasango

Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

	2015 R			2014 R		
<b>2. Property, plant and equipment</b>						
	2015			2014		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	10,222,802	-	10,222,802	5,361,963	-	5,361,963
Furniture and fixtures	166,801	(154,806)	11,995	166,801	(145,625)	21,176
Motor vehicles	1,026,406	(576,928)	449,478	1,026,406	(382,648)	643,758
IT equipment	32,598	(23,752)	8,846	32,598	(16,552)	16,046
<b>Total</b>	<b>11,448,607</b>	<b>(755,486)</b>	<b>10,693,121</b>	<b>6,587,768</b>	<b>(544,825)</b>	<b>6,042,943</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>

### 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
	<b>4,499,614</b>	<b>1,760,872</b>	<b>(217,543)</b>	<b>6,042,943</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	7,604,106	2,743,267
	<b>10,222,802</b>	<b>5,361,963</b>

### 3. Trade and other receivables

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

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	32,594	60,898
Bank balances	4,628,759	440,386
	<b>4,661,353</b>	<b>501,284</b>

## Vulamasango

Annual Financial Statements for the year ended 28 February 2015

### Notes to the Annual Financial Statements

	2015 R	2014 R
<b>5. Trade and other payables</b>		
Trade payables	7	7
Accrued expense	9,673	9,073
	<u>9,680</u>	<u>9,080</u>
<b>6. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	<u>199,323</u>	<u>18,671</u>

### 7. Taxation

No provision has been made for 2015 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.