

**BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION
INCORPORATED UNDER SECTION 21)
(REGISTRATION NUMBER 2004/011551/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2009**

**Moore Brothers and Associates
Chartered Accountants (S.A.)
Registered Auditor
Issued 15 May 2009**

Bryanston East Community Forum (Association Incorporated under Section 21)

(Registration number 2004/011551/08)

Annual Financial Statements for the year ended 28 February 2009

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Non profit organisation providing security services to the Bryanston East community
Auditors	Moore Brothers and Associates Chartered Accountants (S.A.) Registered Auditor
Company registration number	2004/011551/08

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

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Independent Auditor's Report

To the members of Bryanston East Community Forum (Association Incorporated under Section 21)

We have audited the annual financial statements of Bryanston East Community Forum (Association Incorporated under Section 21), which comprise the balance sheet as at 28 February 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 5 to 14.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973. 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

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 management, 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.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Bryanston East Community Forum (Association Incorporated under Section 21) as at 28 February 2009, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973.

Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the supplementary information set out on pages 15 to 16 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the board on 15 May 2009 and were signed on its behalf by:

W.A. Boonzaier

R.E. Kleyn

Johannesburg

15 May 2009

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Directors' Report

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

1. Review of activities

Main business and operations

The company is engaged as a non profit organisation providing security services to the Bryanston East community and operates principally in South Africa.

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

Net profit of the company was R 69,479 (2008: profit R 21,815), after taxation of R - (2008: R 2,640).

2. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Dividends

No dividends were declared or paid during the year. The company is a Section 21 company and therefore has a no dividend declaration policy since it is a non profit organisation.

4. Directors

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

Name

R.E. Kleya

W.A. Boonzaier

5. Auditors

Moore Brothers and Associates will continue in office in accordance with section 270(2) of the Companies Act.

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Annual Financial Statements for the year ended 28 February 2009

Balance Sheet

Figures in Rand	Note(s)	2009	2008
Assets			
Non-Current Assets			
Property, plant and equipment	2	37,647	41,976
Current Assets			
Trade and other receivables	3	-	3,510
Cash and cash equivalents	4	56,393	24,372
		56,393	27,882
Total Assets		94,040	69,858
Equity and Liabilities			
Equity			
Retained income		75,932	6,453
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	-	55,050
Current Liabilities			
Current tax payable		2,640	2,640
Trade and other payables	6	15,468	5,715
		18,108	8,355
Total Liabilities		18,108	63,405
Total Equity and Liabilities		94,040	69,858

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(Registration number 2004/011551/08)

Annual Financial Statements for the year ended 28 February 2009

Income Statement

Figures in Rand	Note(s)	2009	2008
Revenue	7	769,901	549,567
Donations received		80,050	-
Operating expenses		(780,722)	(525,136)
Operating profit		69,229	24,431
Investment revenue	8	250	24
Profit before taxation		69,479	24,455
Taxation	9	-	(2,640)
Profit for the year		69,479	21,815

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(Registration number 2004/011551/08)

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2007	-	(15,362)	(15,362)
Changes in equity			
Profit for the year	-	21,815	21,815
Total changes	-	21,815	21,815
Balance at 01 March 2008	-	6,453	6,453
Changes in equity			
Profit for the year	-	69,479	69,479
Total changes	-	69,479	69,479
Balance at 28 February 2009	-	75,932	75,932

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Cash Flow Statement

Figures in Rand	Note(s)	2009	2008
Cash flows from operating activities			
Cash generated from operations	10	97,577	44,654
Interest income		250	24
Net cash from operating activities		97,827	44,678
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(10,757)	(11,985)
Cash flows from financing activities			
Proceeds from other financial liabilities		25,000	-
Repayment of other financial liabilities		(80,050)	(11,550)
Net cash from financing activities		(55,050)	(11,550)
Total cash movement for the year		32,020	21,143
Cash at the beginning of the year		24,372	3,229
Total cash at end of the year	4	56,392	24,372

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Annual Financial Statements for the year ended 28 February 2009

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Average useful life
Furniture and fixtures	6 years
Motor vehicles	5 years
IT equipment	3 years
Computer software	3 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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Annual Financial Statements for the year ended 28 February 2009

Accounting Policies

1.2 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.4 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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Notes to the Annual Financial Statements

Figures in Rand 2009 2008

2. Property, plant and equipment

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	7,617	(5,887)	1,730	7,617	(4,617)	3,000
Motor vehicles	57,000	(38,000)	19,000	57,000	(26,600)	30,400
IT equipment	26,711	(9,795)	16,916	15,954	(7,899)	8,055
Computer software	2,679	(2,678)	1	2,679	(2,158)	521
Total	94,007	(56,360)	37,647	83,250	(41,274)	41,976

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	3,000	-	(1,270)	1,730
Motor vehicles	30,400	-	(11,400)	19,000
IT equipment	8,055	10,757	(1,896)	16,916
Computer software	521	-	(520)	1
	41,976	10,757	(15,086)	37,647

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	3,750	3,117	(3,867)	3,000
Motor vehicles	41,800	-	(11,400)	30,400
IT equipment	4,365	8,868	(5,178)	8,055
Computer software	1,414	-	(893)	521
	51,329	11,985	(21,338)	41,976

3. Trade and other receivables

Staff loans	-	574
VAT	-	2,936
	-	3,510

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	10	1,702
Bank balances	56,383	22,670
	56,393	24,372

5. Other financial liabilities

Held at amortised cost

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Notes to the Annual Financial Statements

Figures in Rand	2009	2008
5. Other financial liabilities (continued)		
Undisclosed lender	-	55,000
This loan is unsecured, bears interest at variable rates and is repayable in three years.		
R.E. Kleyn	-	50
This loan is unsecured, interest free and has no fixed terms of repayment.		
	-	55,050
Non-current liabilities		
At amortised cost	-	55,050
6. Trade and other payables		
Trade payables	(2)	-
VAT	2,906	-
Accrued expenses	7,335	3,990
SARS PAYE	5,229	1,725
	15,468	5,715
7. Revenue		
Rendering of services	769,901	549,567
8. Investment revenue		
Interest revenue		
Bank	250	24
9. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	-	2,640
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	69,479	24,455
Tax at the applicable tax rate of 28% (2008: 29%)	19,454	7,092
Tax effect of adjustments on taxable income		
Charitable donations income	(22,414)	-
	(2,960)	7,092

No provision has been made for 2009 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 10 571 (2008: R 0).

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Notes to the Annual Financial Statements

Figures in Rand	2009	2008
10. Cash generated from operations		
Profit before taxation	69,479	24,455
Adjustments for:		
Depreciation and amortisation	15,085	21,338
Interest received	(250)	(24)
Changes in working capital:		
Trade and other receivables	3,510	(3,410)
Trade and other payables	9,753	2,295
	97,577	44,654

11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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Detailed Income statement

Figures in Rand	Note(s)	2009	2008
Revenue			
Rendering of services		769,901	549,567
Other income			
Other income		80,050	-
Interest received	8	250	24
		80,300	24
Expenses (Refer to page 16)		(780,722)	(525,136)
Profit before taxation		69,479	24,455
Taxation	9	-	2,640
Profit for the year		69,479	21,815

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(Registration number 2004/011551/08)

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Detailed Income statement

Figures in Rand	Note(s)	2009	2008
Operating expenses			
Accounting fees		(5,894)	(1,600)
Advertising		(7,242)	(10,869)
Auditors remuneration		-	(3,500)
Bank charges		(16,821)	(14,997)
Cleaning		(13,304)	(2,051)
Computer expenses		(12,177)	(17,346)
Depreciation, amortisation and impairments		(15,085)	(21,338)
Employee costs		(443,700)	(259,538)
Events		(7,240)	-
Gifts		(1,302)	(2,399)
Lease rentals on operating lease		(82,475)	(28,879)
Legal expenses		-	(5,700)
Motor vehicle expenses		(16,640)	(15,108)
Newsletters		(56,675)	(57,648)
Printing and stationery		(9,053)	(5,474)
Repairs and maintenance		(21,905)	(7,138)
Rewards		(26,300)	(13,150)
Security		(1,908)	(3,483)
Staff welfare		(2,904)	(12,195)
Subscriptions		(4,184)	(136)
Telephone and fax		(35,013)	(32,827)
Uniforms		(900)	(9,760)
		(780,722)	(525,136)