

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

(Registration number 2004/011551/08)

Financial statements

for the year ended 29 February 2008

HELENA KAILOS MARTINS CA (SA) (011) 7849066
Chartered Accountant (S.A.)
Registered Auditor
Issued 06 April 2008

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

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Report of the Independent Auditor

To the members of **BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)**

I have audited the financial statements of BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21) set out on pages 4 to 13 for the year ended 29 February 2008. These financial statements are the responsibility of the company's directors. My responsibility is to express an opinion on these financial statements based on my audit.

Scope

I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the company at 29 February 2008 and the results of its operations and 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.

Accounting and secretarial duties

Without qualifying my opinion, I draw your attention to the fact that with the written consent of all shareholder, I have performed certain accounting and secretarial duties.

Supplementary information

I draw your attention to the fact that with the supplementary information set out on page 14 does not form part of the financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

HELENA KAILOS MARTINS CA (SA) (011) 7849066
Chartered Accountant (S.A.)
Registered Auditor

Johannesburg
06 April 2008

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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 directors 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 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 2009 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.

Although the directors are primarily responsible for the financial affairs of the company, they are supported by the company's external auditor.

The external auditor is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on page 2.

The financial statements set out on pages 4 to 14, which have been prepared on the going concern basis, were approved by the directors on 06 April 2008 and were signed on its behalf by:

W A Boonzaier

R E Kleyn

Johannesburg

06 April 2008

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Directors' Report

The directors submit their report for the year ended 29 February 2008.

1. Review of activities

Main business and operations

The company is engaged as a non profit organisation providing organised 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 financial statements and do not in our opinion require any further comment.

Net profit of the company was R 21,815 (2007: loss R 11,482), after taxation of R 2,640 (2007: R -).

2. Post balance sheet events

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

3. Non-current assets

Details of major changes in the nature of the non-current assets of the company during the year were as follows:

There were additions to computer equipment and furniture and fittings during the year.

4. 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.

5. Directors

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

Name	Change in appointment
G M Prior	Resigned 01 February 2008
R E Kleyn	
W A Boonzaier	Appointed 01 February 2008

6. Secretary

The secretary of the company is The Accounting Shop CC of:

Business address

145 9th Street
Parkmore
Sandton
2128

Postal address

Postnet Suite 111
Private Bag X51
Rivonia
2128

7. Auditor

HELENA KAIDOS MARTINS CA (SA) (011) 7849066 will continue in office in accordance with section 270(2) of the Companies Act.

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Balance Sheet

Figures in Rand	Note(s)	2008	2007
Assets			
Non-Current Assets			
Fixed assets	2	41,976	51,329
Current Assets			
Trade and other receivables	4	3,510	100
Cash and cash equivalents	5	24,372	3,229
		27,882	3,329
Total Assets		69,858	54,658
Equity and Liabilities			
Equity			
Cumulative surplus/(deficit)		6,453	(15,362)
Liabilities			
Non-Current Liabilities			
Loans from directors	3	50	11,600
Other financial liabilities	6	55,000	55,000
		55,050	66,600
Current Liabilities			
Current tax payable		2,640	-
Trade and other payables	7	5,715	3,420
		8,355	3,420
Total Liabilities		63,405	70,020
Total Equity and Liabilities		69,858	54,658

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Income Statement

Figures in Rand	Note(s)	2008	2007
Revenue	8	549,567	257,405
Other income		-	9,000
Operating expenses		(525,136)	(277,917)
Operating profit (loss)	9	24,431	(11,512)
Investment revenue	10	121	30
Finance costs		(97)	-
Profit (loss) before taxation		24,455	(11,482)
Taxation	11	(2,640)	-
Profit (loss) for the period		21,815	(11,482)

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Statement of Changes in Equity

Figures in Rand	Share capital	Cumulative surplus/(deficit)	Total equity
Balance at 01 March 2006	-	(3,880)	(3,880)
Changes in equity			
Loss for the year		(11,482)	(11,482)
Total changes	-	(11,482)	(11,482)
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 29 February 2008	-	6,453	6,453

Note(s)

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Cash Flow Statement

Figures in Rand	Note(s)	2008	2007
Cash flows from operating activities			
Cash generated from operations	13	44,654	4,078
Interest income		121	30
Finance costs		(97)	-
Net cash from operating activities		44,678	4,108
Cash flows from investing activities			
Purchase of fixed assets	2	(11,985)	(9,000)
Cash flows from financing activities			
Repayment of directors loan		(11,550)	4,500
Net cash from financing activities		(11,550)	4,500
Total cash movement for the period		21,143	(392)
Cash at the beginning of the period		3,229	3,621
Total cash at end of the period	5	24,372	3,229

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Accounting Policies

1. Presentation of Financial Statements

The 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 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 Fixed assets

The cost of an item of fixed assets 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 fixed assets 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 fixed assets, the carrying amount of the replaced part is derecognised.

Fixed assets is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to equity in the revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited directly to equity in the revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Item	Average useful life
Motor vehicles	5 years straight line
IT equipment	3 years straight line
Computer software	3 years straight line

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.

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Accounting Policies

1.2 Financial instruments (continued)

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. 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.

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 equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value. Cash and cash equivalents are measured 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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on 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.

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

Figures in Rand 2008 2007

2. Fixed assets

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	7,617	(4,617)	3,000	4,500	(750)	3,750
Motor vehicle	57,000	(26,600)	30,400	57,000	(15,200)	41,800
IT equipment	15,954	(7,899)	8,055	7,086	(2,721)	4,365
Computer software	2,679	(2,158)	521	2,679	(1,265)	1,414
Total	83,250	(41,274)	41,976	71,265	(19,936)	51,329

Reconciliation of fixed assets - 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

Reconciliation of fixed assets - 2007

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	-	4,500	(750)	3,750
Motor vehicles	53,200	-	(11,400)	41,800
IT equipment	2,227	4,500	(2,362)	4,365
Computer software	2,307	-	(893)	1,414
	57,734	9,000	(15,405)	51,329

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

3. Loans from directors/ex directors

G M Prior	(50)	(50)
This loan is unsecured, interest free and has no fixed terms of repayment.		
R E Kley	-	(11,550)
This loan is unsecured, interest free and has no fixed terms of repayment.		
	(50)	(11,600)

4. Trade and other receivables

VAT	2,936	-
Staff loan	574	100
	3,510	100

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,702	1,220
Bank balances	22,670	2,009

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

Figures in Rand	2008	2007
5. Cash and cash equivalents (continued)		
	24,372	3,229
6. Other financial liabilities		
Held at amortised cost		
Undisclosed lender	55,000	55,000
The loan is unsecured, bears interest at variable rates and is repayable in three years.		
Non-current liabilities		
At amortised cost	55,000	55,000
7. Trade and other payables		
Accruals	3,990	3,420
SARS PAYE	1,725	-
	5,715	3,420
8. Revenue		
Fees	549,567	257,405
9. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	28,879	9,243
Depreciation on fixed assets	21,338	15,405
Employee costs	259,538	152,768
10. Investment revenue		
Interest revenue		
Bank	121	30
11. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	2,640	-
A provision has been made for 2008 tax of R 2,640 (2007: R 0) since the company has incurred a taxable profit of R 24,455 (2007: Loss R 11,482). The accumulated tax loss available for use against future profits is R 0 (2007: R 15,352). The taxation liability of R2,640 is due and payable by 30 September 2008.		
12. Auditor's remuneration		
Fees	3,500	3,420

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

Figures in Rand	2008	2007
13. Cash generated from operations		
Profit (loss) before taxation	24,455	(11,482)
Adjustments for:		
Depreciation and amortisation	21,338	15,405
Interest received	(121)	(30)
Finance costs	97	-
Changes in working capital:		
Trade and other receivables	(3,410)	(100)
Trade and other payables	2,295	285
	44,654	4,078

BRYANSTON EAST COMMUNITY FORUM (ASSOCIATION INCORPORATED UNDER SECTION 21)

Financial Statements for the year ended 29 February 2008

Detailed Income Statement

Figures in Rand	Note(s)	2008	2007
Revenue			
Fees		549,567	257,405
Other income			
Donations received		-	9,000
Interest received	10	121	30
		121	9,030
Operating expenses			
Accounting fees		(1,600)	(1,334)
Advertising		(10,869)	(2,436)
Auditors remuneration	12	(3,500)	(3,420)
Bank charges		(14,997)	(14,796)
Cleaning		(2,051)	(1,874)
Computer expenses		(17,346)	(7,661)
Depreciation		(21,338)	(15,405)
Donations		-	(500)
Employee costs		(259,538)	(152,768)
Gifts		(2,399)	(120)
Lease rentals on operating lease		(28,879)	(9,243)
Legal expenses		(5,700)	-
Motor vehicle expenses and insurance		(15,108)	(7,007)
News letters		(57,648)	(20,032)
Printing and stationery		(5,474)	(2,401)
Repairs and maintenance		(7,138)	(2,322)
Rewards		(13,150)	(3,770)
Security		(3,483)	-
Staff uniforms		(9,760)	-
Staff welfare		(12,195)	-
Subscriptions		(136)	-
Telephone and fax		(32,827)	(32,828)
		(525,136)	(277,917)
Operating profit (loss)	9	24,552	(11,482)
Finance costs		(97)	-
Profit (loss) before taxation		24,455	(11,482)
Taxation	11	2,640	-
Profit (loss) for the period		21,815	(11,482)