

Afristar Foundation
(Registration number 2003/007366/08)
Annual Financial Statements
for the year ended 30 April 2011

J Theron and Associates Incorporated
Chartered Accountants (S.A.)
Registered Auditor
Issued 31 October 2011

Afristar Foundation

(Registration number 2003/007366/08)

Annual Financial Statements for the year ended 30 April 2011

General Information

Country of incorporation and domicile

South Africa

Afristar Foundation is a South African Section 18a Public Benefit Company, registered as a Non Governmental Organisation (NGO), focused on the design and implementation of sustainable development initiatives. Our Mission is educate, train and engage the people of Southern Africa in the development of sustainable models for ecological human settlement and local economic development that facilitate the ethics of care of people and care of the earth. Afristar Foundation utilises Permaculture as its foundational program strategy, taking an optimistic, action-oriented approach to the environmental, energy, food, water and climate crisis the world is currently facing. Afristar focuses on strategies that we can implement to save the Earth and ourselves, demonstrating, teaching and providing outreach in replicable practical techniques for small slow solutions and social change. Our commitment is to initiate and assist the process of establishing a vibrant, socially conscious, economically and environmentally sustainable culture.

Nature of business and principal activities

Directors

David Rosmarin
Nicholas Heinamann
John Nzira
Pelesa Lehlokho

Postal address

PO Box 68562
Bryanston
2021

Bankers

Nedbank Limited

Auditors

J Theron and Associates Incorporated
Chartered Accountants (S.A.)
Registered Auditor

Company registration number

2003/007366/08

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Independent Auditors' Report

To the directors of Afristar Foundation

We have audited the accompanying annual financial statements of Afristar Foundation, which comprise the directors' report, the statement of financial position as at 30 April 2011, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 14.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, and in the manner required by the Companies Act of South Africa. 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.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 30 April 2011, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 to the financial statements, and in the manner required by the Companies Act of South Africa.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 15 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.

J Theron and Associates Incorporated
Registered Auditor
J Theron
Chartered Accountant (S.A)
Registered Auditor

31 October 2011

6 Bompas Rd
Dunkheld
2196

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 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 the basis of accounting as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements 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 30 April 2012 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 annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board on 31 October 2011 and were signed on its behalf by:

Nicholas Heinemann

David Rosmarin

Dunkeld

31 October 2011

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Directors' Report

The directors submit their report for the year ended 30 April 2011.

1. Review of activities

Main business and operations

The company is engaged in afristar foundation is a south african section 18a public benefit company, registered as a non governmental organisation (ngo), focused on the design and implementation of sustainable development initiatives. our mission is educate, train and engage the people of southern africa in the development of sustainable models for ecological human settlement and local economic development that facilitate the ethics of care of people and care of the earth. afristar foundation utilises permaculture as its foundational program strategy, taking an optimistic, action-oriented approach to the environmental, energy, food, water and climate crisis the world is currently facing. afristar focuses on strategies that we can implement to save the earth and ourselves, demonstrating, teaching and providing outreach in replicable practical techniques for small slow solutions and social change. our commitment is to initiate and assist the process of establishing a vibrant, socially conscious, economically and environmentally sustainable culture. 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.

2. Events after the reporting period

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

3. Directors

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

Name
David Rosmarin
Nicholas Heinamann
John Nzira
Pelesa Lehlokho

4. Auditors

J Theron and Associates Incorporated 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 30 April 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	201 134	333 487
Other financial assets	3	15 000	480
		216 134	333 967
Current Assets			
Trade and other receivables	4	2 761	-
Cash and cash equivalents	5	522 261	285 328
		525 022	285 328
Total Assets		741 156	619 295
Equity and Liabilities			
Equity			
Retained surplus		502 644	342 087
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	234 513	264 513
Current Liabilities			
Trade and other payables	7	4 000	12 696
Total Liabilities		238 513	277 209
Total Equity and Liabilities		741 157	619 296

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue	8	642 337	1 071 122
Operating expenses		(506 019)	(996 186)
Operating surplus		136 318	74 936
Investment revenue	9	24 891	14 493
Finance costs	10	(652)	-
Surplus for the year		160 557	89 429
Other comprehensive income		-	-
Total comprehensive surplus for the year		160 557	89 429

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Annual Financial Statements for the year ended 30 April 2011

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 May 2009	252 658	252 658
Changes in equity		
Total comprehensive surplus for the year	89 429	89 429
Total changes	89 429	89 429
Balance at 01 May 2010	342 087	342 087
Changes in equity		
Total comprehensive surplus for the year	160 557	160 557
Total changes	160 557	160 557
Balance at 30 April 2011	502 644	502 644
Note(s)		

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Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash generated from (used in) operations	11	257 215	146 986
Interest income		24 891	14 493
Finance costs		(652)	-
Net cash from operating activities		281 454	161 479
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(386 423)
Loans and receivables		(14 520)	(480)
Net cash from investing activities		(14 520)	(386 903)
Cash flows from financing activities			
Repayment of other financial liabilities		(30 000)	255 010
Net cash from financing activities		(30 000)	255 010
Total cash movement for the year		236 934	29 586
Cash at the beginning of the year		285 328	255 742
Total cash at end of the year	5	522 262	285 328

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Annual Financial Statements for the year ended 30 April 2011

Accounting Policies

1. Presentation of Annual Financial Statements

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Motor vehicles	5 Years
IT equipment	3 Years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

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 and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Loans to shareholders, directors, managers and employees

All other financial instruments are measured at fair value through profit and loss.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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Accounting Policies

1.4 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the income statement (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Annual Financial Statements

Figures in Rand 2011 2010

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles - Izuzu	78 947	(78 946)	1	78 947	(20 175)	58 772
Motor vehicles - Vito	307 476	(108 700)	198 776	307 475	(39 150)	268 325
IT equipment	12 100	(9 743)	2 357	12 100	(5 710)	6 390
Total	398 523	(197 389)	201 134	398 522	(65 035)	333 487

Reconciliation of property, plant and equipment - 2011

	Opening balance	Depreciation	Total
Motor vehicles - Izuzu	58 772	(58 771)	1
Motor vehicles - Vito	268 325	(69 549)	198 776
IT equipment	6 390	(4 033)	2 357
	333 487	(132 353)	201 134

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Motor vehicles - Izuzu	-	78 947	(20 175)	58 772
Motor vehicles - Vito	-	307 476	(39 151)	268 325
IT equipment	10 420	-	(4 030)	6 390
	10 420	386 423	(63 356)	333 487

3. Other financial assets

At amortised cost

Tina de Waal	-	480
John Nzira	15 000	-
	15 000	480

These loans bear no interest, is unsecured and has no fixed terms of repayment.

Non-current assets

Loans and receivables	15 000	480
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4. Trade and other receivables

VAT	2 761	-
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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Investment Account	509 352	267 081
Current Account	97	202
Money Market Account	23 683	26 053
Nedbank Credit Card	(10 871)	(8 008)
	522 261	285 328
6. Other financial liabilities		
At amortised cost		
Nicholas Heinamann	234 513	264 513
This loan bears no interest, is unsecured and has no fixed terms of repayment.		
Non-current liabilities		
At amortised cost	234 513	264 513
7. Trade and other payables		
VAT	-	8 696
Accrued audit fees	4 000	4 000
	4 000	12 696
8. Revenue		
SEED	76 895	27 750
Jewish National Fund	173 068	61 645
Leshiba Community Development Trust	218 787	148 468
Maharishi Institute	54 793	100 000
Donations	68 844	-
Posters	49 950	-
Miscellaneous other revenue	-	733 259
	642 337	1 071 122
9. Investment revenue		
Interest revenue		
Other interest	24 891	14 493
10. Finance costs		
Bank	652	-

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
11. Cash generated from operations		
Profit before taxation	160 557	89 429
Adjustments for:		
Depreciation and amortisation	132 354	63 354
Interest received	(24 891)	(14 493)
Finance costs	652	-
Changes in working capital:		
Trade and other receivables	(2 761)	-
Trade and other payables	(8 696)	8 696
	257 215	146 986

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Detailed Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Grants Received	8	642 337	1 071 122
Other income			
Interest received	9	24 891	14 493
Operating expenses			
Accounting fees		4 400	5 245
Administration and management fees		57 260	96 033
Bank charges		1 923	1 076
Computer expenses		9 671	2 356
Consulting and professional fees		-	59 000
Consumables		-	2 026
Depreciation, amortisation and impairments		132 354	63 354
Donations		3 000	-
Employee costs		105 551	52 938
General expenses		-	1 145
Insurance		6 266	3 419
Office expenses		-	1 309
Postage		105	1 277
Printing and stationery		15 894	2 614
Project expenditure		83 779	264 016
Security		-	3 491
Telephone and fax		9 015	1 841
Tools, hardware and other expenses		63 172	82 757
Training		-	337 222
Travel - local		13 629	15 067
		506 019	996 186
Operating profit		161 209	89 429
Finance costs	10	(652)	-
Surplus for the year		160 557	89 429