

SUNNY SKY PROJECTS 135
T/A IMBALI WESTERN CAPE
(Section 21 Company)

5.

BALANCE SHEET
at 28 February 2007

	<u>Notes</u>	<u>2007</u>
ASSETS		
Non-current assets		
Fixed Assets	2	71,635.99
Current assets		
Stock	3	25,550.20
Cash on hand	4	1,736.85
Bank	4	361,283.15
Total Assets		<u><u>460,206.19</u></u>
EQUITY AND LIABILITIES		
Capital and reserves		
Accumulated Profit/(Loss)		460,206.19
Total Equity and Liabilities		<u><u>460,206.19</u></u>

INCOME STATEMENT
for the period ended 28 February 2007

	<u>Notes</u>	<u>2007</u>
INCOME		
Sales: Arts & Crafts		106,811.27
Donation Income		478,128.64
Donation of assets from previous entity		290,548.99
Funds Income: Lottery Fund		-
		<hr/> 875,488.90
COST OF SALES		
Purchases		176,037.01
Other income generating expenses		34,516.20
		<hr/> 210,553.21
Less: Closing Stock		25,550.20
		<hr/> 690,485.89
GROSS PROFIT		
OTHER INCOME:		
Interest received		289.43
		<hr/> 690,775.32
LESS: EXPENSES		
Accounting Fees		6,750.75
Advertising and promotions		12,639.43
Bank charges		4,817.27
Courier and postage		2,701.45
Depreciation	2	14,804.11
Donations		13,261.44
Electricity and water		4,322.16
Entertainment		2,865.00
Facilitate		38,700.00
Insurance		6,079.87
Packaging costs		2,271.19
Printing and stationery		957.40
Repairs and maintenance		2,500.00
Security		1,334.06
Subscription		335.00
Training : Beading 1,2,3		36,735.00
: Patchwork, quilting and fabric painting		70,145.00
Transport		600.00
Wages		8,750.00
		<hr/> 460,206.19
NET PROFIT/(LOSS)		460,206.19
ACCUMULATED PROFIT/(LOSS) at beginning of year		-

ACCUMULATED PROFIT/(LOSS) at end of year

460,206.19

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7.

CASH FLOW STATEMENT

for the year ended 28 February 2007

	<u>Notes</u>	<u>2007</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from Donors/Sales		875,488.90
Cash paid to suppliers and employees (Crafters, Facilitators, Wages)		<u>(497,817.52)</u>
Cash flow from operating activities	7	<u>377,671.38</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets		(14,651.38)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in interest bearing borrowings		<u>-</u>
Increase/(decrease) in cash & cash equivalents		363,020.00
Cash equivalents at the beginning of the year		-
CASH EQUIVALENTS AT THE END OF THE YEAR		<u><u>363,020.00</u></u>

NOTES TO FINANCIAL STATEMENTS
for the year ended 28 February 2007

1. BASIS OF PREPARATION

The annual financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the company.

1.1 FIXED ASSETS

All fixed assets are included at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Fixed assets are depreciated on the straight line basis at rates considered appropriate to reduce the cost of the assets over the expected useful lives of the assets to the estimated residual value.

The annual rates used for this purpose are:

Furniture and fittings	6 years
Trailer	5 years

1.2 INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

1.3 FINANCIAL INSTRUMENTS

Financial instruments that are recognised in the balance sheet consists of bank balances, cash on hand and trade creditors.

NOTES TO FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2007

2. FIXED ASSETS

	<u>Trailer</u>	<u>Office furniture</u>	<u>Furniture & fittings</u>	<u>Total</u>
<u>2007</u>				
Book value 1 March 2006	-	-	-	-
Additions	11,922.58	2,783.12	71,734.40	86,440.10
Depreciation	(2,384.52)	(463.85)	(11,955.74)	(14,804.11)
Book value 28 February 2007	<u>9,538.06</u>	<u>2,319.27</u>	<u>59,778.66</u>	<u>71,635.99</u>
Cost price	11,922.58	2,783.12	71,734.40	86,440.10
Accumulated depreciation	(2,384.52)	(463.85)	(11,955.74)	(14,804.11)
Book value 28 February 2007	<u>9,538.06</u>	<u>2,319.27</u>	<u>59,778.66</u>	<u>71,635.99</u>

3. INVENTORIES

	<u>2007</u>
Stock	<u>25,550.20</u>

Stock comprises of finished goods and unfinished goods.
Inventories are valued as stated in note 1.2.

4. CASH AND BANK

Cash and bank	<u>363,020.00</u>
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For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:

Absa Bank (Both accounts)	361,283.15
Cash on hand	1,736.85
	<u>363,020.00</u>

NOTES TO FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2007

2007

5. CURRENT TAX LIABILITIES

Income tax

-

No provision is made for tax because Sunny Sky Projects 135 has Tax Exemption status.

6. TURNOVER

Turnover consists of the following :

Cash sales

106,811.27

Donations

478,128.64

Donation of assets from previous entity

246,099.99

831,039.90

7. CASH GENERATED BY OPERATING ACTIVITIES

Net profit

460,206.19

Adjusted for:

Donation of assets from previous entity

(71,788.72)

Depreciation

14,804.11

403,221.58

Movement in current assets and liabilities

Decrease/(increase) in inventory

(25,550.20)

377,671.38

NOTES TO FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2007

8. FINANCIAL INSTRUMENTS

8.1 Fair values

The fair value of the following financial assets is consistent with their book values: cash and creditors.

8.2 Credit risk

The company has no big concentrations of credit risk.

8.3 Liquidity risk

The company has no liquidity risk as it has unused funds as well as liquid assets.

8.4 Foreign exchange risk

The company is party to foreign exchange transactions insofar as they receive foreign donations into their banking account. These consist of low risk transactions.

8.5 Interest risk

The company does not have any exposure to interest risk, and has no exposure to long term liabilities.