SUNNY SKY PROJECTS 135
(ASSOCIATION INCORPORATED UNDER SECTION 21)

(Registration number 2006/009230/08)

Trading as Imbali Western Cape

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	Community projects
Directors	J C Bloch M T Engelage B A le Sueur E J Williams B Y Wilson
Registered office	310 Main Street Paarl 7646 7620
Business address	310 Main Street Paarl 7646
Postal address	PO Box 268 Paarl 7620
Bankers	ABSA Bank Ltd
Auditors	SDK Chartered Accountants (SA) Registered Auditors
Company registration number	2006/009230/08

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

Report of the Independent Auditors

To the members of Sunny Sky Projects 135

We have audited the accompanying annual financial statements of Sunny Sky Projects 135, which comprise the directors' report, the balance sheet as at 28 February 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 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 South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, 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.

Auditors' 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 the directors, 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 the company as of 28 February 2009, and of its financial performance and its cash flows for the year then ended in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 1973.

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Partners: JEA Engelbrecht, DJ Smit, HM Smit | Practice No.: 902047A | VAT No.: 4080211180

Supplementary Information

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.

SDK Chartered Accountants (SA)
Registered Auditors

06 August 2009

22B Church Street
Durbanville
7550

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 the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities. 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 South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities 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 6 to 16, which have been prepared on the going concern basis, were approved and signed by the directors on 06 August 2009:

J C Bloch | **M T Engelage**

B A le Sueur | **E J Williams**

B Y Wilson

Directors' Responsibilities and Approval

J C Bloch

M T Engelage

B A le Sueur

E J Williams

B Y Wilson

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 in community projects 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 loss of the company was R 7,440 (2008: loss R 296,884).

2. Post balance sheet events

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

3. Non-current assets

There were no major changes in the nature of the non-current assets of the company.

4. Directors

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

Name
J C Bloch
M T Engelage
B A le Sueur
E J Williams
B Y Wilson

5. Secretary

The secretary of the company is J C Bloch.

6. Auditors

SDK Chartered Accountants (SA) will continue in office in accordance with section 270(2) of the Companies Act.

Balance Sheet

	Notes	2009 R	2008 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	65,709	86,884
Current Assets			
Inventories	3	20,027	25,721
Cash and cash equivalents	4	70,146	67,979
		90,173	**93,700**
Total Assets		**155,882**	**180,584**
Equity and Liabilities			
Equity			
Retained income		155,882	163,322
Liabilities			
Current Liabilities			
Trade and other payables	5	-	17,262
Total Equity and Liabilities		**155,882**	**180,584**

Income Statement

	Notes	2009 R	2008 R
Revenue	6	83,894	65,096
Cost of sales	7	(65,137)	(46,452)
Gross profit		**18,757**	**18,644**
Other income		513,998	1,530,260
Operating expenses		(540,195)	(1,847,935)
Operating loss	8	**(7,440)**	**(299,031)**
Investment revenue	9	-	2,147
Loss for the year		**(7,440)**	**(296,884)**

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2007	**460,206**	**460,206**
Changes in equity		
Loss for the year	(296,884)	(296,884)
Total changes	(296,884)	(296,884)
Balance at 01 March 2008	**163,322**	**163,322**
Changes in equity		
Loss for the year	(7,440)	(7,440)
Total changes	(7,440)	(7,440)
Balance at 28 February 2009	**155,882**	**155,882**

Cash Flow Statement

	Notes	2009 R	2008 R
Cash flows from operating activities			
Cash receipts from customers		597,891	1,595,356
Cash paid to suppliers and employees		(595,724)	(1,859,584)
Cash generated from (used in) operations	10	2,167	(264,228)
Interest income		-	2,147
Net cash from operating activities		**2,167**	**(262,081)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(32,960)
Total cash movement for the year		**2,167**	**(295,041)**
Cash at the beginning of the year		67,979	363,020
Total cash at end of the year	4	**70,146**	**67,979**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, 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. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 11 First-time adoption of the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities.

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.

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
Furniture and fixtures	6 Years
Motor vehicles	5 Years
Office equipment	6 Years
Plant and machinery	5 Years

The residual value, depreciation method and the useful life of each asset are reviewed at each financial period-end.

1.2 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the weighted average cost basis.

Accounting Policies

1.3 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

Notes to the Annual Financial Statements

	2009 R	2008 R

2. Property, plant and equipment

	2009			2008		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	78,383	(37,252)	41,131	78,383	(24,188)	54,195
Motor vehicles	11,923	(7,154)	4,769	11,923	(4,769)	7,154
Office equipment	2,783	(1,392)	1,391	2,783	(928)	1,855
Plant and machinery	26,311	(7,893)	18,418	26,311	(2,631)	23,680
Total	119,400	(53,691)	65,709	119,400	(32,516)	86,884

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Depreciation	Total
Furniture and fixtures	54,195	(13,064)	41,131
Motor vehicles	7,154	(2,385)	4,769
Office equipment	1,855	(464)	1,391
Plant and machinery	23,680	(5,262)	18,418
	86,884	(21,175)	65,709

3. Inventories

	2009	2008
Finished goods	20,027	25,721

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2009	2008
Cash on hand	3,385	6,817
Bank balances	66,761	61,162
	70,146	67,979

5. Trade and other payables

	2009	2008
Trade payables	-	17,262

6. Revenue

	2009	2008
Sale of goods	83,894	65,096

7. Cost of sales

Sale of goods

	2009	2008
Cost of goods sold	65,137	46,452

Notes to the Annual Financial Statements

	2009 R	2008 R

8. Operating loss

Operating profit for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	21,175	17,713

9. Investment revenue

Interest revenue

Bank	-	2,147

10. Cash generated from (used in) operations

Loss before taxation	(7,440)	(296,884)
Adjustments for:		
Depreciation and amortisation	21,175	17,713
Interest received	-	(2,147)
Changes in working capital:		
Inventories	5,694	(171)
Trade and other payables	(17,262)	17,261
	2,167	(264,228)

11. First-time adoption of the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities.

The company has applied the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, for the first time for the 2009 year end. On principle this standard has been applied retrospectively to the 2008 comparatives as well. No comparative figures contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 29 February 2008.

12. Directors' emoluments

No emoluments were paid to the directors during the year.

Detailed Income statement

	Notes	2009 R	2008 R
Revenue			
Sale of goods		83,894	65,096
Cost of sales			
Opening stock		(25,721)	-
Purchases		(59,443)	(72,173)
Closing stock		20,027	25,721
	7	(65,137)	(46,452)
Gross profit		18,757	18,644
Other income			
Donations received		513,998	1,530,260
Interest received	9	-	2,147
		513,998	1,532,407
Expenses (Refer to page 16)		(540,195)	(1,847,935)
Loss for the year		(7,440)	(296,884)

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Income statement

	Notes	2009 R	2008 R
Operating expenses			
Accounting fees		(3,198)	(1,995)
Advertising		(5,793)	(9,109)
Bank charges		(5,673)	(3,573)
Commission paid		(55,561)	(30,589)
Depreciation, amortisation and impairments		(21,175)	(17,713)
Donations		(323,554)	(1,678,606)
Entertainment		(16,682)	(19,770)
Facilitation fee		(34,900)	(37,690)
Gardening		(4,490)	(5,700)
General expenses		-	(6,129)
Hire		(686)	-
Insurance		(15,695)	(8,759)
Legal expenses		-	(513)
Motor vehicle expenses		-	(1,203)
Postage		(2,850)	(4,650)
Printing and stationery		(7,577)	(3,416)
Repairs and maintenance		(17,635)	(2,359)
Security		(685)	(1,332)
Small tools and equipment		(3,866)	(2,453)
Subscriptions		(1,610)	(1,011)
Telephone and fax		(4,631)	(1,481)
Training		(1,250)	(3,480)
Transport and freight		(12,684)	(6,404)
		(540,195)	(1,847,935)

The supplementary information presented does not form part of the annual financial statements and is unaudited