

KRONENDAL MUSIC ACADEMY OF HOUT BAY
(Registration number 060-215-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Temlett & Co
Chartered Accountants (S.A.)
Issued 02 September 2009

Kronendal Music Academy of Hout Bay

(Registration number 060-215-NPO)

Annual Financial Statements for the year ended 31 March 2008

General Information

Country of incorporation and domicile	South Africa
Trustees	J Borain N Dube D Griesel J Julius S Kieivts G Maree C Mongwe
Registered office	24 Andrews Road Hout Bay 7806
Business address	24 Andrews Road Hout Bay 7806
Postal address	P O Box 26292 Hout Bay 7872
Compiler	Temlett & Co Chartered Accountants (S.A.)

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

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

Report of the Compilation

To Kronendal Music Academy of Hout Bay

On the basis of information provided by the trustees we have compiled, in accordance with the statement of International Standard on Related Services applicable to compilation engagements, the balance sheet of Kronendal Music Academy of Hout Bay at 31 March 2008 and statements of income and cash flows for the year then ended. The trustees are responsible for these annual financial statements. We have not audited or reviewed these annual financial statements, and accordingly express no assurance thereon.

Temlett & Co
Chartered Accountants (S.A.)

Hout Bay
02 September 2009

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Trustees' Responsibilities and Approval

The trustees are required 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 trust 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 trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the non-profit organisation and place considerable importance on maintaining a strong control environment. The trustees 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 trustees have reviewed the non-profit organisation's cash flow forecast for the year to 31 March 2009 and, in the light of this review and the current financial position, they are satisfied that the non-profit organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 5 to 10, which have been prepared on the going concern basis, were approved by the board on 02 September 2009 and were signed on its behalf by:

Trustee

Trustee

Hout Bay

02 September 2009

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Trustees' Report

The trustees submit their report for the year ended 31 March 2008.

1. The trust

The non-profit organisation was established in January 2007 and registered on 13 February 2008.

2. Review of activities

Main business and operations

The non-profit organisation is engaged in projects and implement the education, training and preservation of musical culture within the community, with specific emphasis on the under-privileged areas and thereby also ensuring the promotion of social and racial integration.

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

3. Post balance sheet events

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

4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name
J Borain
N Dube
D Griesel
J Julius
S Kieivts
G Maree
C Mongwe

5. Compiler

Temlett & Co will continue in office for the next financial period.

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Balance Sheet

	Note(s)	2008 R
Assets		
Current Assets		
Cash and cash equivalents	2	8 730
Total Assets		8 730
Equity and Liabilities		
Equity		
Accumulated deficit		(95 934)
Liabilities		
Non-Current Liabilities		
Other financial liabilities		76 756
Current Liabilities		
Other financial liabilities		19 142
Trade and other payables	3	8 766
		27 908
Total Liabilities		104 664
Total Equity and Liabilities		8 730

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Income Statement

	Note(s)	2008 R
Revenue	4	43 998
Cost of sales	5	27 675
Gross surplus		16 323
Operating expenses		
Accounting fees		4 589
Administration and management fees		3 169
Advertising		1 486
Audio and photographic		126
Bank charges		558
Concert fees		3 000
Courier and postage		508
Entertainment of funders		339
Food for pupils		3 777
General expenses		6 814
Honouraria		15 000
Lease rentals on operating lease		18 000
Printing and stationery		702
Repairs and maintenance		586
Telephone and fax		13 433
Transport for pupils		9 600
Travel - local		29 250
Utilities		1 320
		112 257
Deficit for the year		(95 934)

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Statement of Changes in Equity

	Trust capital	Accumulated deficit	Total equity
	R	R	R
Balance at 01 April 2007	-	-	-
Changes in equity			
Deficit for the year	-	(95 934)	(95 934)
Total changes	-	(95 934)	(95 934)
Balance at 31 March 2008	-	(95 934)	(95 934)

Note(s)

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Annual Financial Statements for the year ended 31 March 2008

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. 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.

1.1 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.2 Provisions and contingencies

Provisions are recognised when:

- the non-profit organisation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

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

Fees received or receivable for lessons, and donations received for pupil assistance are included in revenue.

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2008
R

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	8 730
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3. Trade and other payables

Trade payables	8 766
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4. Revenue

Pupil sponsorship	34 998
Donations	9 000
	43 998

5. Cost of sales

Rendering of services

Fees for individually sponsored pupils	3 080
Group tuition fees	6 400
KMA sponsored tuition	1 544
Kronendal assembly pianist	6 300
Teachers paid directly	10 351
	27 675