

THE BUTTERFLY ART PROJECT
(Registration number NPO 124-968)
Annual Financial Statements
for the year ended 28 February 2015

SWEMMER MACINNES INC
Registered Auditors
Published 19 August 2015

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Annual Financial Statements for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Board Members	A Katschke N De Villiers B Dudley T Wrona B Brandes
Auditors	SWEMMER MACINNES INC Registered Auditors
Organisation number	NPO 124-968

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Board members' Responsibilities and Approval

The board members are required by the Companies Act 71 of 2008, 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 organisation 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 International Financial Reporting Standard 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 International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

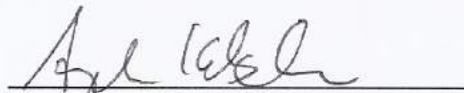
The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the organisations endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members 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 board members have reviewed the organisation's cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisations's annual financial statements. The annual financial statements have been examined by the organisations's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board members on 19 August 2015 and were signed on its behalf by:


A Katschke

**CHARTERED ACCOUNTANTS (S.A.)
REGISTERED AUDITORS**

UNIT A9 WESTLAKE SQUARE, WESTLAKE 7945
P O BOX 552 CONSTANTIA 7848
TEL: 021-701 0220 FAX: 021-701 0226
E-MAIL: sma@smaccounting.co.za
DIRECTORS: P V Swemmer, R A Letcher
Reg no: 2012/153342/21
Practice no: 936413

Independent Auditors' Report

To the board member's of THE BUTTERFLY ART PROJECT

We have audited the annual financial statements of THE BUTTERFLY ART PROJECT, as set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Board members' Responsibility for the Annual Financial Statements

The organisation's board members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the Companies Act 71 of 2008, and for such internal control as the board members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

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 management, 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 BUTTERFLY ART PROJECT as at 28 February 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.


SWEMMER MACINNES INC
Registered Auditors

Per: P V Swemmer
19 August 2015

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Board members' Report

The board members have pleasure in submitting their report on the annual financial statements of THE BUTTERFLY ART PROJECT for the year ended 28 February 2015.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

2. Board members

The board members in office at the date of this report are as follows:

Board members

A Katschke
N De Villiers
B Dudley
T Wrona
B Brandes

3. Auditors

Swemmer Macinnes Inc will continue in office in accordance with the Companies Act, 2008.

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Annual Financial Statements for the year ended 28 February 2015

Statement of Financial Position as at 28 February 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	82 831	88 493
Current Assets			
Trade and other receivables	4	9 737	39 070
Cash and cash equivalents	5	60 944	180 774
		70 681	219 844
Total Assets		153 512	308 337
Capital and Liabilities			
Capital			
Retained income		153 512	302 700
Liabilities			
Non-Current Liabilities			
Loans payable	3	-	4 437
Current Liabilities			
Trade and other payables	7	-	1 200
Total Liabilities		-	5 637
Total Capital and Liabilities		153 512	308 337

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Annual Financial Statements for the year ended 28 February 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Gross Income		883 745	906 914
Operating expenses		(1 032 933)	(604 214)
Operating (deficit)/surplus		(149 188)	302 700
(Deficit)/ surplus for the year		(149 188)	302 700

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Annual Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity

Figures in Rand	Unrestricted reserves	Total equity
Surplus for the year	302 700	302 700
Balance at 01 March 2014	302 700	302 700
Deficit for the year	(149 188)	(149 188)
Balance at 28 February 2015	153 512	153 512

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Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash receipts from customers		-	273 141
Cash paid to suppliers and employees		(102 896)	1
Cash (used in) generated from operations	8	(102 896)	273 142
Net cash from operating activities		(102 896)	273 142
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(12 500)	(96 804)
Cash flows from financing activities			
Repayment of members loan		(4 437)	4 437
Net cash from financing activities		(4 437)	4 437
Total cash movement for the year		(119 833)	180 775
Cash at the beginning of the year		180 774	-
Total cash at end of the year	5	60 941	180 775

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Property, plant and equipment

Office furniture and equipment acquired from the defunct National Primary Science Programme were brought into account at a nominal value of R1 in the year of acquisition. Small additions to fixed assets are written down to R1 when purchased. Fixed assets with an extended economic life are written off over their useful lives..

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

1.2 Revenue

Revenue represents income from donations and grants, projects and sale of materials and is brought to account in the income statement in the year in which it is received. Income received with donor imposed restrictions is transferred to the Allocated not yet spent reserve and is shown under Restricted Reserves. Unrestricted reserves represents net surpluses and deficits from investments and other activities and is shown as Accumulated Surplus/ (Deficit).

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Notes to the Annual Financial Statements

Figures in Rand

2015

2014

2. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Garden Irrigation Equipment	4 800	(960)	3 840	-	-	-
Furniture and fixtures	84 504	(19 180)	65 324	76 804	(5 978)	70 826
Motor vehicles	20 000	(6 333)	13 667	20 000	(2 333)	17 667
Total	109 304	(26 473)	82 831	96 804	(8 311)	88 493

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Garden Irrigation Equipment	-	4 800	(960)	3 840
Furniture and fixtures	70 826	7 700	(13 202)	65 324
Motor vehicles	17 667	-	(4 000)	13 667
	88 493	12 500	(18 162)	82 831

3. Loans receivable/(payable)

A Katschke	-	(4 437)
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The above loan is unsecured, interest free and has no fixed date of repayment.

4. Trade and other receivables

Trade receivables	-	39 069
VAT	9 737	1
	9 737	39 070

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	60 944	180 774
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6. Taxation

The organisation is exempt from income tax in terms of Section 10(1)cN of the Income Tax Act.

7. Trade and other payables

Audit accrual	-	1 200
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Notes to the Annual Financial Statements

Figures in Rand	2015	2014
8. Cash (used in) generated from operations		
(Loss) profit before taxation	(149 188)	302 700
Adjustments for:		
Depreciation and amortisation	18 162	8 311
Changes in working capital:		
Trade and other receivables	29 330	(39 069)
Trade and other payables	(1 200)	1 200
	(102 896)	273 142

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Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Donations and grants received		883 745	887 023
Capricorn Aftercare		-	15 396
Other Income		-	4 495
		883 745	906 914
Operating expenses			
Advertising		7 995	-
Assets <R2500		-	8 057
Bank charges		2 875	1 938
Bookkeeping fees		18 050	8 100
Cleaning		4 383	5 387
Computer expenses		2 281	880
Consulting fees		695	1 150
Depreciation		18 162	8 311
Development and Training		11 959	-
Donations		1 221	-
Equipment and Toys		1 877	718
General Expenses - Gifts		-	155
Independent Contractors		108 000	18 000
Insurance		14 641	1 513
Interest Paid		2	-
Internet Expenses		8 176	2 596
Leasehold Improvements		-	131 149
Legal expenses		692	-
Materials		29 773	5 022
Motor vehicle expenses		9 151	5 890
Postage		1 861	192
Printing and stationery		9 084	5 745
Refreshment and Catering		9 840	9 541
Rent Paid		-	16 500
Repairs and maintenance		15 611	26 154
Replacements		-	7 031
Salaries and Wages		748 189	312 240
Staff welfare		4 813	16 230
Subscriptions		-	1 098
Telephone and fax		3 602	10 617
		1 032 933	604 214
(Deficit)/surplus for the year		(149 188)	302 700