

THE BUTTERFLY ART PROJECT
(Registration No. NPO 124-968)

ANNUAL FINANCIAL STATEMENTS

28 February 2014

THE BUTTERFLY ART PROJECT

(Registration No. NPO 124-968)

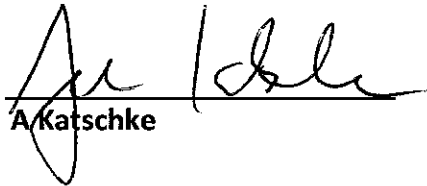
ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2014

These reports and statements are presented as follows:

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The annual financial statements set out on pages 1 to 13 are the responsibility of the members and have been approved by the Board of Trustees on 27 June 2014 and are signed on their behalf by:


A. Katschke

SWEMMER MAC INNES INC.

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
Company Registration number: 2012/153342/21
Practice no: 936413

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUTTERFLY ART PROJECT

Report on the financial statements

We have audited the annual financial statements of THE BUTTERFLY ART PROJECT, which comprise the trustees' report, the statement of financial position as at 28 February 2014, 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 4 to 12.

Trustees' responsibility for the financial statements

The trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

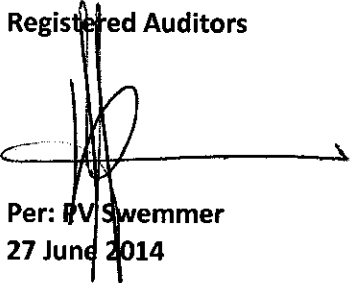
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements fairly present, in all material aspects, the financial position of THE BUTTERFLY ART PROJECT as at 28 February 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedule set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion on it.

SWEMMER MACINNES INC**Registered Auditors**A handwritten signature in black ink, appearing to be 'P.V. Swemmer', written over a horizontal line. The signature is stylized and somewhat illegible.**Per: P.V. Swemmer****27 June 2014**

THE BUTTERFLY ART PROJECT

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

The trustees have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2014.

General review

THE BUTTERFLY ART PROJECT is a trust incorporated in the Republic of South Africa. The principal activities of the trust are in-service education.

Statements of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act,

The trustees are also responsible for the company's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

These financial statements will be presented at the company annual general meeting for the approval of the trustees. It is possible that amendments may be required prior to shareholder approval being given.

Financial results

The results of the trust for the year under review are fully set out in the attached financial statements and require no further comment.

Trustees

The trustees during the accounting period and up to the date of this report were as follows:

A Katschke
N De Villiers
A Spijker

IM Henn
T Wrona
B Brandes

Auditors

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

THE BUTTERFLY ART PROJECT

STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2014

	Notes	2014 R	2013 R
Assets			
Non-current assets			
Property, plant and equipment	3	88 493	-
		<u>88 493</u>	<u>-</u>
Current assets			
Trade and other receivables		39 069	-
Bank, cash and cash equivalents	4	180 774	-
		<u>180 774</u>	<u>-</u>
Total assets		<u>308 336</u>	<u>-</u>
Capital and liabilities			
Capital and reserves			
Retained earnings		302 699	-
		<u>302 699</u>	<u>-</u>
Non-current liabilities			
Shareholders loans	5	4 437	-
		<u>4 437</u>	<u>-</u>
Current liabilities			
Trade and other payables	6	1 200	-
		<u>1 200</u>	<u>-</u>
Total capital and liabilities		<u>308 336</u>	<u>-</u>

THE BUTTERFLY ART PROJECT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
Income			
Gross income		906 914	-
Operating surplus		<u>906 914</u>	<u>-</u>
Total income		906 914	-
Expenses			
Operating expenses		(604 215)	-
Surplus before taxation		<u><u>302 699</u></u>	<u><u>-</u></u>

THE BUTTERFLY ART PROJECT

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2014

	Trust capital R	Unrestricted reserves R	Total R
Net profit for the period		302 699	302 699
Balance at 28 February 2014	-	302 699	302 699

THE BUTTERFLY ART PROJECT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	2014 R	2013 R
Net cash retained in operating activities		273 141	-
Cash generated from operating activities	8.1	273 141	-
Cash flows from investing activities		(96 804)	-
Purchase of property, plant and equipment		(96 804)	-
To increase operating capacity		(96 804)	-
Net increase in cash & cash equivalents		180 774	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		180 774	-

THE BUTTERFLY ART PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

1. General information

THE BUTTERFLY ART PROJECT is a trust, incorporated in South Africa. It is an in-service educational trust.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the trust, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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 charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	Useful life / Rate
Furniture and fittings	6 years
Motor vehicles	5 years

THE BUTTERFLY ART PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

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 represent net surpluses and deficits from investments and other activities and is shown as Accumulated Surplus/(Deficit).

3. Property, plant and equipment

	2014			2013		
	Cost	Accum. deprec / impair.	Carrying value	Cost	Accum. deprec / impair.	Carrying value
	R	R	R	R	R	R
Motor vehicles	20 000	(2 333)	17 667	-	-	-
Furniture and fittings	76 804	(5 978)	70 827	-	-	-
	96 804	(8 311)	88 493	-	-	-

The carrying amounts for 2014 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Other	Deprec. / impairment	Carrying value at end of year
	R	R	R	R	R	R
	Motor vehicles	-	20 000	-	-	(2 333)
Furniture and fittings	-	76 804	-	-	(5 978)	70 827
	-	96 804	-	-	(8 311)	88 493

THE BUTTERFLY ART PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014	2013
	R	R
4. Bank, cash and cash equivalents		
Bank and cash balances at year end comprise:		
Petty cash	1 433	-
Current accounts	179 341	-
	<u>180 774</u>	<u>-</u>
5. Shareholders loans		
A Katschke		
Balance at beginning of year	-	-
Movement for the year	4 437	-
Repayments	-	-
Balance at end of year	<u>4 437</u>	<u>-</u>
The above loans are unsecured, bear no interest and have no fixed terms of repayment.		
6. Trade and other payables		
Trade creditors	1 200	-
	<u>1 200</u>	<u>-</u>
7. Taxation		

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

THE BUTTERFLY ART PROJECT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014	2013
	R	R
8. Notes to the cash flow statement		
8.1 Reconciliation of net profit before taxation to cashflows from operations		
Net profit before taxation	302 699	-
Adjustments for :		
Depreciation	8 311	-
Operating profit before working capital changes	<u>311 010</u>	<u>-</u>
Working capital changes		
Increase in trade and other payables	1 200	-
Cash generated from operations	<u><u>273 141</u></u>	<u><u>-</u></u>

9. Comparative figures

The trust has no comparative figures as this is the first year of operation.

THE BUTTERFLY ART PROJECT

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014 R	2013 R
Income	906 914	-
Donations & grants received	887 023	-
Capricorn Aftercare	15 396	-
Other income	4 495	-
Total Income	906 914	-
Operating expenses	(604 215)	-
Assets <R2500	8 057	-
Bank Charges	1 938	-
Bookkeeping fees	8 100	-
Cleaning	5 387	-
Computer Expenses	880	-
Consulting Fees	1 150	-
Courier & Postage	192	-
Depreciation	8 311	-
Equipment & toys	365	-
General Expenses - Gifts	155	-
Independent Contractors	18 000	-
Internet expenses	3 694	-
Insurance	1 513	-
Leasehold Improvements	131 149	-
Materials development & printing	5 022	-
Motor Vehicle Expenses	5 890	-
Printing & Stationery	5 745	-
Refreshments & Catering	9 541	-
Rent Paid	16 500	-
Repairs and maintenance	26 154	-
Replacements	7 031	-
Salaries & Wages	312 240	-
Staff Welfare	16 230	-
Telephone & Fax	10 617	-
Toys & Equipment	353	-
Surplus for the period	302 699	-