JUDEA HARVEST NPC
DIRECTORS REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

The Directors present their report for the year ended 28 February 2015. This report forms part of the audited financial statements.

1. Main business activities of the company

The main business activity of the company is as follows:
Community development for poor and needy persons and antipoverty initiatives, focusing on children and youth.

2. Registered address

The registered address of the company is:
Pure Joy Lodge
527 Maroela Avenue
Kameeldrift East
Pretoria

3. Directors and officers

The following individuals acted as directors during the period under review:

Name	Title	Appointment date	Gross salary
Mr JG Henning	Non Executive	(Appointed 14 May 2003)	R 53 400
Mr AP Pretorius	Non Executive	(Appointed 14 May 2003)	Nil
Mr CJV Walters	Non Executive	(Appointed 14 May 2003)	Nil
Mr WAR Dique	Non Executive	(Appointed 23 September 2003)	Nil
Mr B Magadla	Non Executive	(Appointed 2 December 2003)	Nil
Mr L Blom	Executive	(Appointed 14 May 2003)	R 452 508
Mr JH De Klerk	Executive	(Appointed 28 February 2011)	R 325 862

The secretary of the company is:
Greyling van der Merwe CA (SA)
P.O. Box 131368
Northmead, 1511

4. After balance sheet events

No material events after the balance sheet date occurred, affecting the current year's financial information.

5. Statement of Responsibilities

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with International Auditing Standards. The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2008.

The directors are also responsible for the company's system of internal control. These are 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 directors to indicate that any breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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

JUDEA HARVEST NPC
BALANCE SHEET AT 28 FEBRUARY 2015

	NOTES	2015 R.	2014 R.
ASSETS			
Non-current assets		1 107 109	1 084 660
Property, plant and equipment	**2.**	707 109	784 660
Investment in subsidiaries	**3.**	400 000	300 000
Current assets		318 696	693 988
Cash and bank	**6.**	146 767	633 548
Stock on hand		171 929	50 440
Trade and other receivables		-	10 000
Total assets		1 425 805	1 778 648
RESERVES AND LIABILITIES			
Reserves		(219 782)	841 099
Accumulated loss		(219 782)	841 099
Non-Current liabilities		540 758	527 907
Interest bearing borrowings	**4.**	540 758	527 907
Current liabilities		1 104 829	409 642
Trade and other payables		973 046	269 394
Short-term portion of long-term borrowings		131 783	140 248
Total reserves and liabilities		1 425 805	1 778 648

JUDEA HARVEST NPC
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	NOTES	2015 R.	2014 R.
Income			
Donations received		7 062 382	9 831 825
Investment income		305	414
Tent donations received		1 605 706	2 010 014
Gross income		8 668 393	11 842 253
Expenditure		(9 729 274)	(11 482 929)
Accounting fees		60 000	75 572
Advertising and promotion		53 577	17 113
Bank charges		72 803	76 874
Commission paid		-	12 050
Computer expenses		42 626	22 365
Consulting fees		-	141 000
Depreciation		215 780	173 230
Donations		-	15 868
Insurance		133 310	100 919
Interest paid		80 086	68 502
Loss on sale of non current assets		16 943	-
Ministry support		252 566	147 050
Printing and stationery		28 996	23 651
Rent, water and electricity		335 531	324 509
Repairs and maintenance		56 106	85 025
Salaries and wages		2 483 858	2 169 419
Security expenses		-	930
Storage and transport costs		55 853	68 421
Telephone and postage		184 891	157 329
Tent expenses		2 002 214	1 891 628
Training and conferences		1 055 710	89 207
Travel, accommodation and entertainment		228 721	393 143
Upliftment projects		2 369 704	5 429 124
Net deficit for the year		(1 060 881)	359 324

JUDEA HARVEST NPC
STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 28 FEBRUARY 2015

	Accumulated loss	Total

Balance at 1 March 2013	481 775	481 775
Surplus for the year	359 324	359 324
Balance at 28 February 2014	841 099	841 099
Deficit for the year	(1 060 881)	(1 060 881)
Balance at 28 February 2015	(219 782)	(219 782)

JUDEA HARVEST NPC
CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	2015 R.	2014 R.
Cash flows from operating activities		
Net deficit for the year	(1 060 881)	359 324
Adjusted for:		
Loss on disposal of non current assets	16 943	-
Depreciation	215 780	173 230
Interest paid	80 086	68 502
Interest received	(305)	(414)
Cash deficit before working capital changes	(748 377)	600 642
Movements in working capital	592 162	(278 863)
Decrease in accounts receivable	10 000	10 000
Increase in stock	(121 489)	4 178
Increase in accounts payable	703 652	(293 041)
Cash outflow from operations	(156 215)	321 779
Investment income	305	414
Interest paid	(80 086)	(68 502)
Cash utilized in operating activities	(235 996)	253 691
Cash flows from investing activities		
Acquired to expand operations		
Additions to fixed assets	(310 084)	(269 573)
Proceeds from disposal of non current assets	54 912	-
Increase in investment in subsidiaries	-	-
Cash utilized in investing activities	(255 172)	(269 573)
Cash flow from financing activities		
Increase in interest bearing borrowings	4 386	99 975
Cash generated from financing activities	4 386	99 975
Decrease in cash and cash equivalents	(486 781)	84 093
Cash and cash equivalents at beginning of year	633 548	549 455
Cash and cash equivalents at end of year	146 767	633 548

JUDEA HARVEST NPC
NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2015

1. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and the Companies Act 71 of 2008.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Revenue recognition

Revenue comprises revenue from donations received. Income is accounted once the service funds are received.

1.2 Impairments

The carrying value of assets is reviewed at each balance sheet date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their estimated recoverable amount.

1.3 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognized on the balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognized initially at fair value. In the case of financial assets or liabilities classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added to the fair value.

Subsequent measurement

After initial recognition financial assets are measured as follows:
- Loans and receivables and held-to-maturity investments are measured at amortized cost less any impairment losses recognized to reflect irrecoverable amounts.
- Financial assets classified as available-for-sale or at fair value through profit or loss, including derivatives, are measured at fair values. Fair value, for this purpose, is market related if listed, or a value arrived at by using appropriate valuation models, if unlisted.
- Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

After initial recognition financial liabilities are measured as follows:
- Financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognized as follows:
- Where financial assets and financial liabilities are carried at amortized cost, a gain or loss is recognized in profit or loss through the amortization process and when the financial asset or financial liability is derecognized or impaired.
- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognized in profit or loss.

The particular recognition methods adopted are disclosed in the individual policies stated below:

Trade and other receivables

Trade and other receivables originated by the enterprise are classified at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash. Cash and cash equivalents are measured at fair value.

Trade and other payables

Trade and other payables are recognized at their original debt value less principal payments.

1.6 Provisions

Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events and 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.

1.7 Fixed assets and depreciation

Depreciation is provided for on a straight line basis, at rates considered adequate to amortize the assets to nil over their useful live span.

2. Property, plant and equipment

2015

	Office Equipment	Motor vehicles	Computer equipment	Tents	Total
Carrying value - beginning of year	168	784 301	166	25	784 660
Additions	-	310 084	-	-	310 084
Disposals		(171 854)			(171 854)
Depreciation	(165)	(215 463)	(152)	-	(215 780)
Carrying value - end of year	3	707 067	14	25	707 109
Gross carrying value	12 099	1 077 314	83 118	5 085 322	6 257 852
Accumulated depreciation	(12 096)	(370 248)	(83 104)	(5 085 297)	(5 550 744)
Accumulated depreciation beginning of year	11 931	202 320	82 952	5 085 297	5 382 499
Disposals	-	(47 535)	-	-	(47 535)
Depreciation - income statement	165	215 463	152	-	215 780

2014

	Office Equipment	Motor vehicles	Computer equipment	Tents	Total
Carrying value - beginning of year	2 176	685 582	534	25	688 317
Additions	-	269 573	-	-	269 573
Disposals					
Depreciation	(2 008)	(170 854)	(368)	-	(173 230)
Carrying value - end of year	168	784 301	166	25	784 660
Gross carrying value	12 099	986 621	83 118	5 085 322	6 167 159
Accumulated depreciation	(11 931)	(202 320)	(82 952)	(5 085 297)	(5 382 499)
Accumulated depreciation beginning of year	9 923	31 466	82 584	5 085 297	5 209 269
Disposals	2 008	170 854	368	-	173 230
Depreciation - income statement					

Fixed assets are depreciated at the following rates:

- Office equipment:	20%
- Computer equipment:	33.33%
- Office furniture	20%
- Tents	33.33%

3. Investments in subsidiaries

Name of company	% Holding 2015	% Holding 2014	2015 R.	2014 R.
- Green Flash Trading 145 (Pty) Ltd	100,0%	75,0%	400 000	300 000

The carrying value of the above are shown net of impairment losses.

4. Interest bearing borrowings

Installment sale agreements	672 541	668 155
Short term portion	(131 783)	(140 248)
	540 758	527 907

The installment sale agreements with ABSA, Toyota Financial Services and Wesbank are secured by motor vehicles. The loans bear interest at various rates linked to the prime lending rate and are repayable in monthly installments of R 14 937.

5. Taxation

No provision has been made for income tax as the company is exempt from income tax.

6. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and account balances held with commercial banks.

7. Related party transactions

Balance sheet	% Holding 2015	% Holding 2014	2015 R.	2014 R.
<u>Investments in subsidiaries:</u>				
Name of company				
- Green Flash Trading 145 (Pty) Ltd	100,0%	75,0%	400 000	300 000

Income statement

	2015 R.	2014 R.
Directors remuneration	831 770	817 128
Rent paid to directors	126 000	126 000
Rent paid to Green Flash Trading 145 (Pty) Ltd	161 038	105 695

8. Events after the balance sheet date

Events that occurred after balance sheet date but before the financial statements were authorized for issue, were considered. There were not events that indicate evidence of any adverse conditions that existed on the balance sheet date that should be adjusted for.

9. Financial instruments

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. Risk management is carried out under the policies approved by management.

Market risk

Cash flow and fair value interest rate: As the company has no significant interest bearing assets, the company income and operating cash flows are substantially independent of changes in market interest rates. The company's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk. All the company's borrowings are denominated in South African rands. The company has no specific processes in place to manage cash flow risk. Interest rate exposure is not analyzed on a specific basis.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and continued financial support from the shareholders.

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk, consist principally of cash resources and trade receivables.

The company's cash resources are placed with major South African financial institutions of high credit standing and approved by the executive committee comprising senior executives. Receivables are reflected net of doubtful debt provisions, which are considered adequate. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company's credit risk in respect of amounts owing by related parties is also limited as the parties from whom the amounts are due, are related to the company.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Fair values

The directors are of the opinion that the carrying value of financial instruments approximates fair value.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The executive directors are involved in the daily operations of the company and the necessary decisions regarding capital risk management are made as and when necessary.