JUDEA HARVEST NPC
DIRECTORS REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

The Directors present their report for the year ended 29 February 2016. 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
Mr JG Henning	Non Executive	(Appointed 14 May 2003)
Mr AP Pretorius	Non Executive	(Appointed 14 May 2003)
Mr CJV Walters	Non Executive	(Appointed 14 May 2003)
Mr WAR Dique	Non Executive	(Appointed 23 September 2003)
Mr B Magadla	Non Executive	(Appointed 2 December 2003)
Mr L Blom	Executive	(Appointed 14 May 2003)
Mr JH De Klerk	Executive	(Appointed 28 February 2011)

The company does not have a secretary.

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 29 FEBRUARY 2016

	NOTES	2016 R.	2015 R.
ASSETS			
Non-current assets		4,127,769	1,107,109
Property, plant and equipment	**2.**	3,582,769	707,109
Investment in subsidiaries	**3.**	545,000	400,000
Current assets		349,282	318,696
Cash and bank	**6.**	229,282	146,767
Stock on hand		120,000	171,929
Trade and other receivables		-	-
Total assets		4,477,051	1,425,805
RESERVES AND LIABILITIES			
Reserves		1,259,990	(219,782)
Accumulated surplus		1,259,990	(219,782)
Non-Current liabilities		384,851	540,758
Interest bearing borrowings	**4.**	384,851	540,758
Current liabilities		2,832,211	1,104,829
Trade and other payables		2,688,186	973,046
Short-term portion of long-term borrowings		144,023	131,783
Total reserves and liabilities		4,477,051	1,425,805

JUDEA HARVEST NPC
INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

	NOTES	2016 R.	2015 R.
Income			
Donations received		9,567,898	7,062,382
Investment income		264	305
Tent donations received		1,137,641	1,605,706
Gross income		10,705,803	8,668,393
Expenditure		(9,226,030)	(9,729,274)
Accounting fees		66,377	60,000
Advertising and promotion		177,930	53,577
Bank charges		74,780	72,803
Computer expenses		42,876	42,626
Consulting fees		9,500	-
Depreciation		232,654	215,780
Donations		12,960	-
Insurance		149,004	133,310
Interest paid		67,832	80,086
Legal fees		66,155	-
Loss on sale of non current assets		-	16,943
Ministry support		312,786	252,566
Printing and stationery		38,143	28,996
Rent, water and electricity		225,319	335,531
Repairs and maintenance		249,581	56,106
Salaries and wages		2,591,339	2,483,858
Storage and transport costs		33,023	55,853
Telephone and postage		265,709	184,891
Tent expenses		2,040,713	2,002,214
Training and conferences		32,926	1,055,710
Travel, accommodation and entertainment		371,217	228,721
Upliftment projects		2,165,208	2,369,704
Net surplus for the year		1,479,773	(1,060,881)

JUDEA HARVEST NPC
STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 29 FEBRUARY 2016

	Accumulated surplus	Total
Balance at 1 March 2014	841,099	841,099
Deficit for the year	(1,060,881)	(1,060,881)
Balance at 28 February 2015	(219,783)	(219,783)
Surplus for the year	1,479,773	1,479,773
Balance at 29 February 2016	1,259,990	1,259,990

JUDEA HARVEST NPC
CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

	2016 R.	2015 R.
Cash flows from operating activities		
Net surplus for the year	1,479,773	(1,060,881)
Adjusted for:		
Loss on disposal of non current assets	-	16,943
Depreciation	232,654	215,780
Interest paid	67,832	80,086
Interest received	(264)	(305)
Cash surplus before working capital changes	1,779,994	(748,377)
Movements in working capital	1,767,070	592,162
Increase in accounts receivable	-	10,000
Decrease in stock	51,929	(121,489)
Increase in accounts payable	1,715,141	703,652
Cash inflow from operations	3,547,064	(156,215)
Investment income	264	305
Interest paid	(67,832)	(80,086)
Cash generated from operating activities	3,479,497	(235,996)
Cash flows from investing activities		
Acquired to expand operations		
Additions to fixed assets	(3,108,315)	(310,084)
Proceeds from disposal of non current assets	-	54,912
Increase in investment in subsidiaries	-	-
Cash utilized in investing activities	(3,108,315)	(255,172)
Cash flow from financing activities		
Decrease in interest bearing borrowings	(143,667)	4,386
Shares purchased	(145,000)	-
Cash utilized in financing activities	(288,667)	4,386
Increase in cash and cash equivalents	82,516	(486,781)
Cash and cash equivalents at beginning of year	146,767	633,548
Cash and cash equivalents at end of year	229,282	146,767

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

2016

	Land and buildings	Office Equipment	Motor vehicles	Computer equipment	Tents	Total
Carrying value - beginning of year	-	3	707,067	14	25	707,109
Additions	3,000,000	-	94,316	13,999	-	3,108,315
Disposals	-	-	-	-	-	-
Depreciation	-	-	(223,322)	(9,332)	-	(232,654)
Carrying value - end of year	3,000,000	3	578,060	4,681	25	3,582,769
Gross carrying value	3,000,000	12,099	1,124,094	97,117	5,085,322	9,318,631
Accumulated depreciation	-	(12,096)	(546,035)	(92,435)	(5,085,297)	(5,735,863)
Accumulated depreciation beginning of year	-	12,096	370,248	83,104	5,085,297	5,550,744
Disposals	-	-	(47,535)	-	-	(47,535)
Depreciation - income statement	-	-	223,322	9,332	-	232,654

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

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 2016	% Holding 2016	2016 R.	2015 R.
- Green Flash Trading 145 (Pty) Ltd	100.0%	100.0%	545,000	400,000

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

4. Interest bearing borrowings

	2016	2015
Installment sale agreements	528,875	672,541
Short term portion	(144,023)	(131,783)
	384,851	540,758

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			**2016 R.**	**2015 R.**
Investments in subsidiaries:	% Holding 2016	% Holding 2015		
Name of company				
- Green Flash Trading 145 (Pty) Ltd	100.0%	100.0%	545,000	400,000

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.