

TOUCH AFRICA REHABILITATION ASSOCIATION

***Association incorporated under Section 21
(Registration number: 2007/024885/08)***

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 FEBRUARY 2008

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2008

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RESPONSIBILITY, CONFIRMATION AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I confirm that the annual financial statements set out above are the responsibility of the directors, they have been properly prepared so as to reflect a true record of their administration of the company for the year ended 29 FEBRUARY 2008 and were approved and signed by them:

DIRECTOR

DIRECTOR

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008

GENERAL INFORMATION

<i>Nature of business</i>	:	<i>To Establish an Organization to Rehabilitate Schools, Clinics & other Community Facilities and Raising Funds for these purposes.</i>
<i>Type of entity</i>	:	<i>Association incorporated under Section 21</i>
<i>Country of incorporation</i>	:	<i>South Africa</i>
<i>Registration number</i>	:	<i>2007/024885/08</i>
<i>Income tax reference number</i>	:	<i>9930/785/14/3 P</i>
<i>VAT registration number</i>	:	<i>4740247103</i>
<i>Bank account details</i>	:	<i>Standard Bank current account Acc no: 080316697 Branch code: 050417</i>
<i>Directors</i>	:	<i>Wayne Michael Pearce Michael Gilbert Glover</i>
<i>Registered address</i>	:	<i>6 Bond Street Mount Croix Port Elizabeth 6001</i>
<i>Accountant</i>	:	<i>Fintax PE Trust Royden Bryan Whitfield Professional Accountant (SA) 6 Bond Street Mount Croix Port Elizabeth 6001</i>
<i>Auditors</i>	:	<i>HDP (CA) SA Registered Accountants and Auditors 6 Bond Street Mount Croix Port Elizabeth 6001</i>

H D P Incorporated
REGISTERED ACCOUNTANTS AND AUDITORS

6 Bond Street, Mount Croix, Port Elizabeth, 6001
P O Box 27105 Greenacres Port Elizabeth 6057 SA
Tel. (041) 3738701 Fax (041) 3738731

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
TOUCH AFRICA REHABILITATION ASSOCIATION
FOR THE YEAR ENDED 29 FEBRUARY 2008**

I have audited the annual financial statements set out on pages 2 to 8 for the year ended 29 FEBRUARY 2008. The financial statements are the responsibility of the company's directors. My responsibility is to express an opinion on these financial statements based on my audit.

Scope

I conducted my audit in accordance with South African Auditing Standards. These standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,*
- assessing the accounting principles used and significant estimates made by management, and*
- evaluating the overall financial statement presentation*

I believe that my audit provides a reasonable basis for my opinion.

Audit opinion

In my opinion the financial statements fairly present , in all material respects, the financial position of the company at 29 FEBRUARY 2008 and the results of its operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act No. 61 of 1973.

HDP (CA) SA
Registered Accountants and Auditors
Port Elizabeth

Date

*Hayden du Preez Incorporated. Reg No.2007/022527/21
Practice No. 955779
Director: H. du Preez Bcom Hons (CA) SA*

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 29 FEBRUARY 2008

*The Directors present their report for the year ended 29 FEBRUARY 2008.
this report forms part of the audited financial statements.*

1. GENERAL REVIEW

The company's business and operations and the results thereof are clearly reflected in the attached financial statements.

No matter which is material to the financial affairs of the company has occurred between the year-end and the date of approval of the financial statements.

2. STATEMENTS OF RESPONSIBILITY

The directors 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 generally accepted accounting practice and in the manner required by the South African Companies Act No. 61 of 1973.

The directors are also responsible for the company's system of internal financial 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 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 directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

3. DIRECTORATE

The Directors of the Company as reflected by CIPRO are:

*W. M. Pearce
M. G. Glover*

4. AUDITORS

Hayden du Preez CA (SA) will continue in office in accordance with Section 270 (2) of the South African Companies Act No. 61 of 1973.

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
BALANCE SHEET AS AT 29 FEBRUARY 2008

	<i>NOTE</i>	2008 R
ASSETS		
<i>NON CURRENT ASSETS</i>		
<i>Fixed Property</i>	2	-
<i>CURRENT ASSETS</i>		
<i>Receivables</i>	3	-
<i>Cash and Cash Equivalents</i>	4	-
TOTAL ASSETS		-
 EQUITY AND LIABILITIES		
<i>CAPITAL AND RESERVES</i>		
<i>General Fund</i>		(99,636)
<i>NON CURRENT LIABILITIES</i>		
<i>Non-Interest Bearing Borrowings</i>	5	90,200
<i>CURRENT LIABILITIES</i>		
<i>Accounts Payable</i>	6	9,436
<i>Provision for Taxation</i>	7	-
TOTAL LIABILITIES		99,636
TOTAL EQUITY AND LIABILITIES		-

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008

	<i>NOTE</i>	<i>2008</i> <i>R</i>
<i>TURNOVER</i>		501,608
<i>OPERATING EXPENSES</i>		(401,244)
<i>INTEREST RECEIVED</i>		-
		100,364
<i>INTEREST PAID</i>		-
		100,364
<i>TAXATION</i>	7	-
		100,364
<i>ABNORMAL ITEM</i>	8	(200,000)
<i>NET LOSS for the year</i>		<u>(99,636)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2008

	<i>Retained</i> <i>Income</i>	<i>Total</i>
	<i>R</i>	<i>R</i>
<i>Balance - 1 MARCH 2007</i>	-	-
<i>Net Loss for the Year</i>	(99,636)	(99,636)
<i>Balance - 29 FEBRUARY 2008</i>	<u>(99,636)</u>	<u>(99,636)</u>

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008

	2008
	R
CASH FLOWS FROM OPERATING ACTIVITIES	(90,200)
<i>Cash Receipts from Customers</i>	501,608
<i>Cash Paid to Suppliers and Employees</i>	(591,808)
<i>Cash Generated by Operations</i>	(90,200)
<i>Interest Received</i>	-
CASH FLOWS FROM INVESTING ACTIVITIES	-
<i>Acquisition of Fixed Property</i>	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
<i>Increase in Non-Interest Bearing Borrowings</i>	90,200
<i>Net Increase in Cash and Cash Equivalents</i>	-
<i>Cash and Cash Equivalents at beginning of year</i>	-
<i>Cash and Cash Equivalents at end of year</i>	<hr/> <hr/> -
 RECONCILIATION OF NET INCOME BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	
<i>Net loss before Taxation</i>	(99,636)
<i>Adjustments for:</i>	
<i>Interest Received</i>	-
<i>Operating Income before Changes in Working Capital</i>	(99,636)
<i>Changes in Working Capital</i>	
<i>Decrease in Accounts Receivable</i>	-
<i>Increase in Accounts Payable</i>	9,436
CASH GENERATED BY OPERATIONS	<hr/> <hr/> (90,200)

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2008

1. ACCOUNTING POLICIES

The financial statements are prepared on the basis of historical cost.

	2008
	R
2. FIXED PROPERTY	-
3. RECEIVABLES	-
4. CASH AND CASH EQUIVALENTS	-
5. NON-INTEREST BEARING BORROWINGS	
<i>Loan: Cherry Place (Pty) Ltd</i>	90,200
<i>The loan is repayable at the discretion of the directors.</i>	
6. ACCOUNTS PAYABLE	
Anchor Distributors	1,710
Aurora Special Care Centre	3,996
Urban Angel	3,730
	<u>9,436</u>

TOUCH AFRICA REHABILITATION ASSOCIATION
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(Registration number: 2007/024885/08)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2008

	2008
	R
7. TAXATION	
<i>Net loss for the period</i>	(99,636)
<i>Taxation at 29%</i>	-
8. ABNORMAL ITEM	
<i>Start-up Costs</i>	200,000
9. RELATED PARTY TRANSACTIONS	
<i>Companies and Trusts where significant influence is exercised by Directors of the TOUCH AFRICA REHABILITATION ASSOCIATION :</i>	
<i>Related party balances</i>	
<i>Loan Accounts - Owing (to) by related parties</i>	
<i>Cherry Place (Pty) Ltd</i>	(90,200)
<i>Related party transactions</i>	
<i>Start-up costs paid to related parties</i>	
<i>RCP a div of RED CHERRY MEDIA HOLDINGS</i>	200,000
<i>Various operating expenses paid to related parties</i>	
<i>RED CHERRY ADVERTISING</i>	
10. GAURANTEE	
(a) <i>The liability of members is limited to the amount referred to in paragraph (b).</i>	
(b) <i>Each member undertakes to contribute to the assets of the company in the event of its being wound up while he/she is a member or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of the winding up, and for adjustment of the rights and the contributories amount themselves an amount of (ONE) R1,00 rand.</i>	

TOUCH AFRICA REHABILITATION ASSOCIATION
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SUPPLEMENTARY SCHEDULES NOT FORMING PART OF THE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2008

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The information in the supplementary schedules is in excess of that required by the Companies Act and has not been subjected to the auditing procedures applied in the annual financial statements.

Accordingly, I do not express an opinion on the supplementary schedules.

HAYDEN DU PREEZ CA (SA)
Port Elizabeth
28 October 2008

TOUCH AFRICA REHABILITATION ASSOCIATION
Association incorporated under Section 21
(Registration number: 2007/024885/08)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 7 MONTH PERIOD ENDED 29 FEBRUARY 2008

	<i>NOTE</i>	2008 R
INCOME		501,608
<i>Sponsorships & Projects</i>	<i>1</i>	438,193
<i>Donations & Pledges</i>		63,415
<i>Interest Received</i>		-
 EXPENDITURE		 601,244
Administration		443,965
<i>Advertising & Media</i>		167,584
<i>Commission Paid</i>		20,730
<i>Legal Expenses</i>		7,200
<i>Protective Clothing</i>		17,540
<i>Sponsor Entertainment</i>		10,510
<i>Start-up Costs</i>		200,000
<i>Travel & Accommodation</i>		20,401
Projects		157,279
<i>Aurora fees</i>		11,867
<i>Container conversion</i>		37,481
<i>Schools furniture & equipment</i>		38,249
<i>School bus repair</i>		1,415
<i>Schools refurbishment</i>		51,767
<i>T-shirts</i>		16,500
 NET LOSS		 <u><u>(99,636)</u></u>

TOUCH AFRICA REHABILITATION ASSOCIATION
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NOTES TO THE DETAILED INCOME STATEMENT

	2008
	R
1. SPONSORS & PROJECTS	
Wholesale Housing	60,000
Barloworld Plascon SA (Pty) Ltd	100,000
EDCON	100,000
M-Net	16,500
Cacadu Municipality	22,874
Build-It	93,819
Mc Cain Foods	45,000
	<u>438,193</u>
4. TRAVEL	
Directors	12,964
Project Managers	7,437
	<u>20,401</u>