



**FIRST READY DEVELOPMENT 695 (ASSOCIATION
INCORPORATED UNDER SECTION 21)**

(Registration number 2005/005377/08)

TRADING AS AFRICAN LEADERSHIP ACADEMY

Annual financial statements
for the year ended 31 August 2007

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Annual Financial Statements for the year ended 31 August 2007

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Academic and training institution
Directors	P Mombaur F Swaniker Dr A Leke
Registered office	34 BALMORAL ROAD HURLINGHAM SANDTON 2070
Business address	11 ALICE LANE EAST WING 2ND FLOOR SANDTON 2070
Postal address	PO BOX 529 HURLINGHAM SANDTON 2196
Bankers	Standard Bank
Auditors	Griesel Nel Incorporated Chartered Accountants (S.A.) Registered Accountants and Auditors
Company registration number	2005/005377/08

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The reports and statements set out below comprise the annual financial statements presented to the members:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income statement	13
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REPORT OF THE INDEPENDENT AUDITORS

To the members of First Ready Development 695 (Association Incorporated Under Section 21)

We have audited the annual financial statements of First Ready Development 695 (Association Incorporated Under Section 21) set out on pages 5 to 12 for the year ended 31 August 2007. These annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the following emphasis, the annual financial statements present fairly, in all material respects, the financial position of the company at 31 August 2007 and the results of its operations and cash flows for the year then ended in accordance with gaap, and in the manner required by the South African Companies Act 1973.

Emphasis

As is the norm in donation dependent organisations, income can only be verified once recognized in the accounting records of the company. As is the norm in donation dependent organisations, the company's records did not permit the application of adequate alternative auditing procedures regarding this income. Consequently we cannot express an opinion on the donation income of the company.

Accounting and secretarial duties

Without qualifying our opinion, we draw your attention to the fact that with the written consent of all members, we have performed certain accounting duties.

Griesel Nel Incorporated
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Date: 7/2/2008



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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the South African Companies Act 1973, 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 company 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 gaap. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with gaap and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The directors 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 directors have reviewed the company's cash flow forecast for the year to 31 August 2008 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

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 of directors on _____ and were signed on its behalf by:



F Swanker



P Mombaur

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DIRECTORS' REPORT

The directors submit their report for the year ended 31 August 2007.

1. REVIEW OF ACTIVITIES

Main business and operations

The company is a not for profit, public benefit academic and training institution and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net surplus of the company was R 899,416 (2006: surplus R 48,804), after taxation of R - (2006: R -).

2. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. POST BALANCE SHEET EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year, that materially effects the presentation of the financial statements at year end.

4. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

P Mombaur
F Swaniker
Dr A Leke

5. AUDITORS

Griesel Nel Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

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BALANCE SHEET

Figures in Rand	Note(s)	2007	2006
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	5,046	6,872
Current Assets			
Loans (payable)/receivable	3	13,091	-
Loans to directors	4	-	3,623
Trade and other receivables		57,936	17,693
Cash and cash equivalents	5	1,458,285	109,788
		1,529,312	131,104
Total Assets		1,534,358	137,976
EQUITY AND LIABILITIES			
EQUITY			
Accumulated loss		(191,429)	(1,090,845)
LIABILITIES			
Non-Current Liabilities			
Loans (payable)/receivable	3	288,000	150,000
Other financial liabilities	6	927,607	927,607
		1,215,607	1,077,607
Current Liabilities			
Loans (payable)/receivable	3	76,650	8,405
Loans from directors	4	2,625	-
Trade and other payables		430,905	142,809
		510,180	151,214
Total Liabilities		1,725,787	1,228,821
Total Equity and Liabilities		1,534,358	137,976

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INCOME STATEMENT

Figures in Rand	Note(s)	2007	2006
Revenue		4,215,233	993,094
Operating expenses		(3,311,662)	(944,282)
Operating surplus		903,571	48,812
Interest received		1	6
Finance costs		(4,156)	(14)
Surplus for the year		899,416	48,804

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 September 2005	-	(1,139,649)	(1,139,649)
Changes in equity			
Surplus for the year		48,804	48,804
Total changes	-	48,804	48,804
Balance at 01 September 2006	-	(1,090,845)	(1,090,845)
Changes in equity			
Surplus for the year		899,416	899,416
Total changes	-	899,416	899,416
Balance at 31 August 2007	-	(191,429)	(191,429)

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CASH FLOW STATEMENT

Figures in Rand	Note(s)	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		4,174,990	971,778
Cash paid to suppliers and employees		(2,990,324)	(903,854)
Cash generated from operations	8	1,184,666	67,924
Interest income		1	6
Finance costs		(4,156)	(14)
Net cash from operating activities		1,180,511	67,916
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(31,416)	(2,190)
Loans advanced		193,154	149,890
Net cash from investing activities		161,738	147,700
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of other financial liabilities		-	(93,307)
Movement in liability - SARS UIF		-	(1,244)
Repayment of directors loan		6,248	(11,308)
Net cash from financing activities		6,248	(105,859)
Total cash movement for the year		1,348,497	109,757
Cash at the beginning of the year		109,788	33
Total cash at end of the year	5	1,458,285	109,790

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ACCOUNTING POLICIES

I. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with gaap, and the South African Companies Act 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Average useful life
Furniture and fixtures	5 years
Office equipment	5 years
IT equipment	3 years
Computer software	2 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2007 2006

2. PROPERTY, PLANT AND EQUIPMENT

	2007			2006		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	3,088	(3,087)	1	3,088	(3,087)	1
Office equipment	5,875	(5,873)	2	5,875	(1,912)	3,963
IT equipment	37,341	(32,302)	5,039	9,280	(6,372)	2,908
Computer software	3,354	(3,350)	4	-	-	-
Total	49,658	(44,612)	5,046	18,243	(11,371)	6,872

Reconciliation of property, plant and equipment - 2007

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	1	-	-	1
Office equipment	3,963	-	(3,961)	2
IT equipment	2,908	28,062	(25,931)	5,039
Computer software	-	3,354	(3,350)	4
	6,872	31,416	(33,242)	5,046

3. LOANS (PAYABLE)/RECEIVABLE

Current Assets / (Current Liabilities)

Anabel Argyle	(2,704)	(7,357)
Beverly Lien	(7,221)	-
Chris Bradford	(38,223)	(1,048)
Allison R Rouse	(1,918)	-
Angela Zaeh	(8,621)	-
Ivy Mwai	6,502	-
Bineta Mbacke	6,589	-
Tinuade Awe	(17,963)	-

These loans have no fixed repayment terms but by intent is of a short term nature and is interest free.

(63,559) (8,405)

Non - Current Assets / (Non - Current Liabilities)

Buffet Investment Services (Pty) Ltd	(150,000)	(150,000)
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This loan is long term by nature and repayable on or before 15 June 2009, should Buffet Investment Services (Pty) Ltd not convert the full amount of the loan into a donation to the borrower

Chris Bradford	(138,000)	-
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This loan has no fixed repayment terms but by intent is of a long term nature and interest free.

(288,000) (150,000)

Current assets	13,091	-
Non-current liabilities	(288,000)	(150,000)
Current liabilities	(76,650)	(8,405)
	(351,559)	(158,405)

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Figures in Rand	2007	2006
4. LOANS TO/FROM DIRECTORS		
Frederick K. Swaniker	(2,625)	3,623
This loan has no fixed repayment terms but by intent is of a long term nature and is interest free.		
Current assets	-	3,623
Current liabilities	(2,625)	-
	(2,625)	3,623
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	5,664	33
Bank balances	1,452,621	109,755
	1,458,285	109,788
6. OTHER FINANCIAL LIABILITIES		
Held at amortised cost		
Corporator 171 (Pty) Ltd	927,607	927,607
Loan bearing no interest and is repayable after four years.		
Non-current liabilities		
At amortised cost	927,607	927,607
7. AUDITORS' REMUNERATION		
Fees	10,000	6,468
Tax and secretarial services	2,265	-
Professional fees	9,000	-
	21,265	6,468
8. CASH GENERATED FROM OPERATIONS		
Surplus before taxation	899,416	48,804
Adjustments for:		
Depreciation and amortisation	33,242	4,081
Interest received	(1)	(6)
Finance costs	4,156	14
Changes in working capital:		
Trade and other receivables	(40,243)	(17,693)
Trade and other payables	288,096	32,724
	1,184,666	67,924
9. DIRECTORS' EMOLUMENTS		
Executive		
2007	Emoluments	Total
For services as director	612,811	612,811
Subsistence allowance	22,266	22,266
	635,077	635,077

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Notes to the Annual Financial Statements

Figures in Rand	2007	2006
4. LOANS TO/FROM DIRECTORS		
Frederick K. Swaniker	(2,625)	3,623
This loan has no fixed repayment terms but by intent is of a long term nature and is interest free.		
Current assets	-	3,623
Current liabilities	(2,625)	-
	(2,625)	3,623
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Cash on hand	5,664	33
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Held at amortised cost		
Corporator 171 (Pty) Ltd	927,607	927,607
Loan bearing no interest and is repayable after four years.		
Non-current liabilities		
At amortised cost	927,607	927,607
7. AUDITORS' REMUNERATION		
Fees	10,000	6,468
Tax and secretarial services	2,265	-
Professional fees	9,000	-
	21,265	6,468
8. CASH GENERATED FROM OPERATIONS		
Surplus before taxation	899,416	48,804
Adjustments for:		
Depreciation and amortisation	33,242	4,081
Interest received	(1)	(6)
Finance costs	4,156	14
Changes in working capital:		
Trade and other receivables	(40,243)	(17,693)
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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2007	2006
REVENUE			
Donations		4,215,233	993,094
OTHER INCOME			
Interest received		1	6
OPERATING EXPENSES			
Accounting fees		(23,500)	(18,650)
Advertising		(28,908)	(17,619)
Auditors remuneration	7	(21,265)	(6,468)
Bank charges		(11,010)	(4,074)
Books and publications		(2,714)	-
Computer expenses		(12,335)	(3,166)
Consulting and professional fees		(523,831)	(139,780)
Depreciation, amortisation and impairments		(33,242)	(4,081)
Employee costs		(1,804,662)	(373,720)
Entertainment		(12,002)	(16,167)
Human Resources		(23,319)	-
Interns and fellows		(159,340)	(38,640)
Legal		(10,308)	(61,131)
Licenses and fees		(188)	(1,800)
Postage		(4,844)	(1,856)
Printing and stationery		(40,385)	(7,770)
Recruitment cost		(129,268)	(2,149)
Rent		(78,433)	(80,000)
Telephone, fax and Internet		(47,530)	(38,247)
Training		(46,958)	-
Travel - local		(6,145)	(63,721)
Travel - overseas		(241,892)	(63,661)
Website design		(49,583)	(1,582)
		(3,311,662)	(944,282)
Operating surplus		903,572	48,818
Finance costs		(4,156)	(14)
Surplus for the year		899,416	48,804