

**FIA ADMINISTRATION SERVICES (PTY) LTD  
(Registration number 2005/012724/07)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE 16 MONTHS ENDED 28 FEBRUARY 2010**

Draft

MAZARS  
Registered Auditor  
Issued 13 May 2010

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
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The reports and statements set out below comprise the annual financial statements presented to the member:

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## **Report of the Independent Auditors**

### **To the member of FIA Administration Services (Pty) Ltd**

We have audited the annual financial statements of FIA Administration Services (Pty) Ltd, which comprise the statement of financial position as at 28 February 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 16 months then ended, and a summary of significant accounting policies and other explanatory notes, and the director's report, as set out on pages 4 to 12.

### **Director's Responsibility for the Annual Financial Statements**

The company's director is responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of FIA Administration Services (Pty) Ltd as at 28 February 2010, and its financial performance and its cash flows for the 16 months then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 1973.

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
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**Secretarial Duties**

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

**Supplementary Information**

Without qualifying our opinion, we draw your attention to the fact that the supplementary information 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 information and accordingly do not express an opinion thereon.

**MAZARS**  
**Partner: SM de Langee**  
**Registered Auditor**  
**Pretoria**  
**13 May 2010**

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Director's Report**

The director submits his report for the 16 months ended 28 February 2010.

**1. Review of activities**

**Main business and operations**

The company is engaged in financial services 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.

**2. Events after the reporting period**

The director is not aware of any matter or circumstance arising since the end of the financial 16 months.

**3. Authorised and issued share capital**

There were no changes in the authorised or issued share capital of the company during the 16 months under review.

**4. Non-current assets**

There were no major changes in the nature of the non-current assets of the company during the period under review.

**5. Dividends**

No dividends were declared or paid to member during the 16 months.

**6. Director**

The director of the company during the 16 months and to the date of this report is as follows:

Name	Nationality
SJ van Wyk	South African

**7. Secretary**

The company had no secretary during the 16 months.

**8. Auditors**

Mazars was appointed as auditors on 1 July 2009 and will continue in office in accordance with section 270(2) of the Companies Act.

The annual financial statements set out on pages 4 to 13, which have been prepared on the going concern basis, were approved by the board on 12 May 2010 and were signed on its behalf by:

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Director

Pretoria

12 May 2010

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Statement of Financial Position**

	Notes	16 months ended 28 February 2010 R	12 months ended 31 October 2008 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred tax	2	7,447	37,284
<b>Current Assets</b>			
Current tax receivable		-	19,379
Cash and cash equivalents	3	60,536	-
		<b>60,536</b>	<b>19,379</b>
<b>Total Assets</b>		<b>67,983</b>	<b>56,663</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	4	100	100
Accumulated loss		(54,792)	(67,760)
		<b>(54,692)</b>	<b>(67,660)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Operating lease liability		26,596	21,647
<b>Current Liabilities</b>			
Other financial liabilities	5	95,575	95,575
Current tax payable		503	-
Trade and other payables	6	1	2,465
Bank overdraft	3	-	4,636
		<b>96,079</b>	<b>102,676</b>
<b>Total Liabilities</b>		<b>122,675</b>	<b>124,323</b>
<b>Total Equity and Liabilities</b>		<b>67,983</b>	<b>56,663</b>

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**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Statement of Comprehensive Income**

	Notes	16 months ended 28 February 2010 R	12 months ended 31 October 2008 R
Revenue	7	244,156	377,475
Operating expenses		(201,335)	(222,345)
<b>Operating profit</b>		<b>42,821</b>	<b>155,130</b>
Finance costs		(16)	-
<b>Profit before taxation</b>		<b>42,805</b>	<b>155,130</b>
Taxation	8	(29,837)	37,284
<b>Profit for the period</b>		<b>12,968</b>	<b>192,414</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>12,968</b>	<b>192,414</b>

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**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Statement of Changes in Equity**

	Share capital	Accumulated loss	Total equity
	R	R	R
<b>Balance at 01 November 2007</b>	<b>100</b>	<b>(260,174)</b>	<b>(260,074)</b>
Changes in equity			
Total comprehensive income for the period	-	192,414	192,414
Total changes	-	192,414	192,414
<b>Balance at 01 November 2008</b>	<b>100</b>	<b>(67,760)</b>	<b>(67,660)</b>
Changes in equity			
Total comprehensive income for the period	-	12,968	12,968
Total changes	-	12,968	12,968
<b>Balance at 28 February 2010</b>	<b>100</b>	<b>(54,792)</b>	<b>(54,692)</b>
Note	4		

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**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Statement of Cash Flows**

	Notes	16 months ended 28 February 2010 R	12 months ended 31 October 2008 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	45,306	206,976
Finance costs		(16)	-
Tax received (paid)		19,882	(19,379)
<b>Net cash from operating activities</b>		<b>65,172</b>	<b>187,597</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		-	(182,494)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(182,494)</b>
<b>Total cash movement for the period</b>		<b>65,172</b>	<b>5,103</b>
Cash at the beginning of the period		(4,636)	11,908
<b>Total cash at end of the period</b>	3	<b>60,536</b>	<b>17,011</b>

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**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Accounting Policies**

**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 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 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

**1.2 Financial instruments**

**Financial instruments at amortised cost**

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

**Financial instruments at fair value**

All other financial instruments are measured at fair value through profit and loss.

**1.3 Tax**

**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

**Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

A tax valuation allowance is recognised against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current and future taxable profit.

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Accounting Policies**

**1.3 Tax (continued)**

**Tax expenses**

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

**1.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue from commission is recognised when the sale which gives rise to this revenue takes place.

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**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Notes to the Annual Financial Statements**

	16 months ended 28 February 2010 R	12 months ended 31 October 2008 R
<b>2. Deferred tax</b>		
<b>Deferred tax asset</b>		
IFRS lease smoothing creditor	7,447	37,284
<b>Reconciliation of deferred tax asset (liability)</b>		
At beginning of the year	37,284	-
Originating temporary difference on IFRS lease smoothing creditor	7,447	37,284
Reversal of prior year originating temporary difference	(37,284)	-
	<u>7,447</u>	<u>37,284</u>
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	60,536	-
Bank overdraft	-	(4,636)
	<u>60,536</u>	<u>(4,636)</u>
Current assets	60,536	-
Current liabilities	-	(4,636)
	<u>60,536</u>	<u>(4,636)</u>
<b>4. Share capital</b>		
<b>Authorised</b>		
1,000 Ordinary shares of R1 each	1,000	1,000
<b>Issued</b>		
100 Ordinary shares of R1 each	100	100
<b>5. Other financial liabilities</b>		
Financial Intermediaries Association of Southern Africa (Association Incorporated under Section 21)	95,575	95,575
The loan bears no interest and has no fixed terms of repayment.		
<b>Current liabilities</b>		
At fair value	95,575	95,575
<b>6. Trade and other payables</b>		
Trade payables	1	(1)
Other payables	-	2,466
	<u>1</u>	<u>2,465</u>

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Notes to the Annual Financial Statements**

	2010 R	2009 R
<b>7. Revenue</b>		
Commission received	216,636	311,444
Fees	27,520	66,031
	<u>244,156</u>	<u>377,475</u>

**8. Taxation**

**Major components of the tax expense (income)**

**Deferred**

Deferred tax	29,837	(37,284)
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**9. Cash generated from operations**

Profit before taxation	42,805	155,130
<b>Adjustments for:</b>		
Finance costs	16	-
Movements in operating lease assets and accruals	4,949	21,647
<b>Changes in working capital:</b>		
Trade and other receivables	-	6,465
Trade and other payables	(2,464)	23,734
	<u>45,306</u>	<u>206,976</u>

**10. Related parties**

Relationships  
Shareholder

Financial Intermediaries Association of Southern Africa (Association Incorporated under Section 21)

**Related party balances**

**Loan accounts - Owing (to) by related parties**

Financial Intermediaries Association of Southern Africa (Association Incorporated under Section 21)	95,575	95,575
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**11. Director's emoluments**

No emoluments were paid to the director during the period.

**FIA ADMINISTRATION SERVICES (PTY) LTD**  
**Annual Financial Statements for the 16 months ended 28 February 2010**  
**Detailed Income Statement**

	Notes	16 months ended 28 February 2010 R	12 months ended 31 October 2008 R
<b>Revenue</b>			
Commission received		216,636	311,444
Fees		27,520	66,031
	7	<b>244,156</b>	<b>377,475</b>
<b>Operating expenses</b>			
Accounting fees		1,873	-
Auditors remuneration		-	28,551
Bank charges		7,683	14,180
Hire of equipment		162,974	136,389
Insurance		24,820	18,616
Subscriptions		-	3,581
Telephone and fax		3,985	21,028
		<b>201,335</b>	<b>222,345</b>
<b>Operating profit</b>		<b>42,821</b>	<b>155,130</b>
Finance costs		(16)	-
<b>Profit before taxation</b>		<b>42,805</b>	<b>155,130</b>
Taxation	8	29,837	(37,284)
<b>Profit for the period</b>		<b>12,968</b>	<b>192,414</b>

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