

**WOZA MOYA HIV AND AIDS
PROJECTS NPC
(Registration number 2009/013994/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 30 JUNE 2011**

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To run, develop and support an HIV/AIDS community care and support programme
Directors	BN Memela SR Hedden NJ Nxasane
Registered office	Mazars House 197 North Ridge Road Durban 4001
Postal address	PO Box 847 Ixopo Durban 3276
Banker	First National Bank
Auditor	Mazars Registered Auditor
Company registration number	2009/013994/08
Independent preparer of annual financial statements	DB Bates (CA)SA

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOZA MOYA HIV AND AIDS PROJECTS NPC

We have audited the annual financial statements of Woza Moya HIV and AIDS Projects NPC, which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 15 months then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 14.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Continued-

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOZA MOYA HIV AND AIDS
PROJECTS NPC (continued)**

Basis for Qualified Opinion

In common with similar organisation, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Woza Moya HIV and AIDS Projects NPC as at 30 June 2011, and its financial performance and cash flows for the 15 months then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 15 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Mazars

MAZARS
Partner: NB Bartlett
Registered Auditor
16 September 2011
Durban

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa 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 15 months and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements 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 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 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 pages 3 to 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the directors on 16 September 2011:



BN Memela



SR Hedden



NJ Nxasane

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Directors' Report

The directors submit their report for the 15 months ended 30 June 2011.

1. Review of activities

Main business and operations

The company is engaged to run, develop and support an HIV/AIDS community care and support programme 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.

Woza Moya HIV and AIDS Projects NPC's mission is to provide quality community care and support for people infected and affected by HIV and AIDS. By providing home-based care, orphan intervention and food security, the company aims to alleviate hunger, poverty and suffering through a holistic and integrated approach. Social-economic conditions, a person's psychological and spiritual health, as well as their physical welfare all need to be considered and taken care of.

The Woza Moya HIV and AIDS Projects NPC is located in the Ufafa area- Ward 3 - of the Ubuhlebezwe, in the Sisobke district in KwaZulu-Natal, South Africa. The Woza Moya community is situated on the tribal land in the Chibini community of Ufafa.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial 15 months.

3. Directors

The directors of the company during the 15 months and to the date of this report are as follows:

Name	Changes
BN Memela	
SR Hedden	
NJ Nxasane	
GD Taylor	Resigned 17 December 2010

4. Secretary

The company had no secretary during the 15 months.

5. Change in financial year end

During the current year of assessment, the company had changed its financial year end from March to June and has reported results for a 15 month period ending 30 June 2011.

6. Auditor

Mazars will continue in office in accordance with section 90(6) of the Companies Act.

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Statement of Financial Position

Figures in Rand	Notes	30 June 2011	31 March 2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 192 981	1 289 118
Current Assets			
Trade and other receivables	3	2 010	2 010
Cash and cash equivalents	4	1 172 036	1 004 452
		1 174 046	1 006 462
Total Assets		2 367 027	2 295 580
Equity and Liabilities			
Equity			
Retained income		2 365 107	2 293 455
Liabilities			
Current Liabilities			
Trade and other payables		1 920	2 125
Total Equity and Liabilities		2 367 027	2 295 580

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Statement of Comprehensive Income

Figures in Rand	Notes	15 months ended 30 June 2011	12 months ended 31 March 2010
Revenue		2 144 702	1 930 432
Other income		29 534	16 690
Operating expenses		(2 140 290)	(1 660 768)
Operating profit	5	33 946	286 354
Investment revenue	6	37 706	26 672
Profit for the period		71 652	313 026
Other comprehensive income		-	-
Total comprehensive income		71 652	313 026

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2009	1 980 429	1 980 429
Changes in equity		
Total comprehensive income for the period	313 026	313 026
Total changes	<u>313 026</u>	<u>313 026</u>
Balance at 01 April 2010	2 293 455	2 293 455
Changes in equity		
Total comprehensive income for the period	71 652	71 652
Total changes	<u>71 652</u>	<u>71 652</u>
Balance at 30 June 2011	<u>2 365 107</u>	<u>2 365 107</u>

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Statement of Cash Flows

Figures in Rand	Notes	15 months ended 30 June 2011	12 months ended 31 March 2010
Cash flows from operating activities			
Cash generated from operations	8	129 878	348 792
Interest income		37 706	26 672
Net cash from operating activities		167 584	375 464
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(514 256)
Total cash movement for the period		167 584	(138 792)
Cash at the beginning of the period		1 004 452	1 143 244
Total cash at end of the period	4	1 172 036	1 004 452

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

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.

Property, plant and equipment is initially measured at cost.

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.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	25 years
Motor vehicles	5 years
Office equipment	6 years
Computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

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.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

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.

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Accounting Policies

1.2 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Revenue

Revenue comprises donation income. Donation income is recognised when received, except to the extent that it relates to future periods, in which case it is deferred and recognised in the period it relates.

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.

Interest is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Annual Financial Statements

Figures in Rand **2011** **2010**

2. Property, plant and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1 267 031	(131 026)	1 136 005	1 267 031	(67 674)	1 199 357
Motor vehicles	107 200	(51 813)	55 387	107 200	(25 013)	82 187
Office equipment	9 420	(7 831)	1 589	9 420	(3 906)	5 514
Computer equipment	28 178	(28 178)	-	28 178	(26 118)	2 060
Total	1 411 829	(218 848)	1 192 981	1 411 829	(122 711)	1 289 118

Reconciliation of property, plant and equipment - 2011

	Opening balance	Depreciation	Total
Buildings	1 199 357	(63 352)	1 136 005
Motor vehicles	82 187	(26 800)	55 387
Office equipment	5 514	(3 925)	1 589
Computer equipment	2 060	(2 060)	-
	1 289 118	(96 137)	1 192 981

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Buildings	720 355	514 256	(35 254)	1 199 357
Motor vehicles	103 627	-	(21 440)	82 187
Office equipment	7 626	-	(2 112)	5 514
Computer equipment	5 169	-	(3 109)	2 060
	836 777	514 256	(61 915)	1 289 118

3. Trade and other receivables

Deposits	2 010	2 010
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 257	6 058
Bank balances	1 167 779	998 394
	1 172 036	1 004 452

5. Operating profit

Operating profit for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	96 137	61 915
Employee costs	920 298	743 594

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Annual Financial Statements for the 15 months ended 30 June 2011
Notes to the Annual Financial Statements

Figures in Rand	2011	2010
6. Investment revenue		
Interest revenue		
Bank	29 666	22 405
Other interest	8 040	4 267
	<u>37 706</u>	<u>26 672</u>
7. Taxation		
The company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, therefore no provision has been made for 2011 tax as the company is not liable for tax.		
8. Cash generated from operations		
Profit before taxation	71 652	313 026
Adjustments for:		
Depreciation and amortisation	96 137	61 915
Interest received	(37 706)	(26 672)
Changes in working capital:		
Trade and other payables	(205)	523
	<u>129 878</u>	<u>348 792</u>

WOZA MOYA HIV AND AIDS PROJECTS NPC
Annual Financial Statements for the 15 months ended 30 June 2011
Detailed Income Statement

Figures in Rand	Notes	15 months ended 30 June 2011	12 months ended 31 March 2010
Revenue			
Aids Foundation of South Africa		719 666	869 516
General donations		755 922	592 915
Hospice Palliative Care Association of South Africa		116 625	115 200
Oxfam Australia		302 489	352 801
The Victor Daitz Foundation		250 000	-
		2 144 702	1 930 432
Other income			
Income from cars and CD sales		29 534	16 690
Interest received	6	37 706	26 672
		67 240	43 362
Operating expenses			
Accounting fees		28 899	23 883
Advertising		39 980	-
Auditor remuneration		14 683	16 895
Bank charges		15 088	14 482
CCC Forum		7 357	5 269
Cleaning		-	603
Computer expenses		10 300	50 830
Consulting fees		9 245	8 691
Craft project expenses		-	9 477
Depreciation, amortisation and impairments		96 137	61 915
Electricity and water		17 093	25 602
Employee costs		920 298	743 594
Insurance		21 012	20 015
Medical expenses		60 593	43 614
Motor vehicle expenses		193 263	144 311
Office consumables		91 055	32 109
Outreach work		416 846	249 292
Play therapy		59 377	116 884
Repairs and maintenance		23 226	37 650
Security		-	171
Staff welfare		65 227	25 670
Telephone and fax		39 690	24 621
Travel - local		10 921	5 190
		2 140 290	1 660 768
Profit for the period		71 652	313 026