

**WOZA MOYA COMMUNITY DEVELOPMENT  
PROJECT (RF) NPC  
(REGISTRATION NUMBER 2009/013994/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To provide services in community care, support and empowerment, in order to improve health outcomes and livelihoods and access to social protection rights.
<b>Directors</b>	SR Hedden BN Memela NJ Nxasane
<b>Registered office</b>	Woza Moya Community Centre District Road 64 Chibini Community 3276
<b>Postal address</b>	PO Box 847 Ixopo Durban 3276
<b>Banker</b>	First National Bank Limited
<b>Auditor</b>	Mazars Registered Auditor
<b>Company registration number</b>	2009/013994/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
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The reports and statements set out below comprise the annual financial statements presented to the directors:

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## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC

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We have audited the annual financial statements of Woza Moya Community Development Project (RF) NPC, as set out on pages 8 to 16, which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' Responsibility

The company's directors are 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 requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### 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 auditor's 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 company'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 company'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 qualified audit opinion.

Continued/-

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC (CONTINUED)**

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**Basis for Qualified Opinion**

In common with similar organisations, 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**

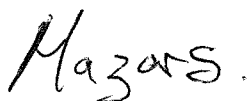
In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Woza Moya Community Development Project (RF) NPC as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

**Supplementary information**

We draw attention to the fact that supplementary information set out on page 17 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.

**Other reports required by the Companies Act**

As part of our audit of the annual financial statements for the year ended 30 June 2016, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.



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**Mazars**  
**Partner: T Erasmus**  
**Registered Auditor**  
**01 December 2016**  
**Durban**

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC  
Annual Financial Statements for the year ended 30 June 2016  
Directors' Responsibilities and Approval**

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The directors are required by the Companies Act 71 of 2008, 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 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.

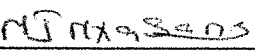
The directors have reviewed the company's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, they are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 01 December 2016 and were signed on its behalf by:

  
\_\_\_\_\_  
SR Hedden

  
\_\_\_\_\_  
BN Memela

  
\_\_\_\_\_  
NJ Nxasane

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Directors' Report**

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The directors have pleasure in submitting their report on the annual financial statements of Woza Moya Community Development Project (RF) NPC for the year ended 30 June 2016.

**1. Nature of business**

The company engages in providing services in community care, support and empowerment, in order to improve health outcomes, livelihoods and access to social protection and rights and operates principally in South Africa.

The company'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 company is located in the Ufafa area, Ward 3 of Ubuhlebezwe, in Sisobke district in KwaZulu Natal, South Africa. The Woza Moya Community Centre is situated on the tribal land in the Chibini community of Ufafa.

**2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

**3. Directors**

The directors in office at the date of this report are as follows:

SR Hedden  
BN Memela  
NJ Nxasane

There have been no changes to the directorate for the period under review.

**4. Borrowing powers**

Borrowing capacity is determined by the directors in terms of the Memorandum of Incorporation, from time to time.

**5. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Directors' Report**

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**6. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**7. Auditors**

Mazars will continue in office as auditor for the company for 2017.

**8. Secretary**

The company had no secretary during the year.



**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Statement of Financial Position as at 30 June 2016**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1,265,851	1,422,155
<b>Current Assets</b>			
Trade and other receivables	3	24,982	24,755
Cash and cash equivalents	4	2,065,820	1,690,010
		<b>2,090,802</b>	<b>1,714,765</b>
<b>Total Assets</b>		<b>3,356,653</b>	<b>3,136,920</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		3,348,870	3,084,161
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	7,787	52,760
<b>Total Equity and Liabilities</b>		<b>3,356,657</b>	<b>3,136,921</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
Revenue	6	3,064,455	3,429,464
Other income	7	207,519	240,216
Operating expenses		(3,087,603)	(2,703,254)
<b>Operating profit</b>	8	<b>184,371</b>	<b>966,426</b>
Investment revenue		80,338	43,419
<b>Profit for the year</b>		<b>264,709</b>	<b>1,009,845</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Retained income</b>
<b>Balance at 01 July 2014</b>	<b>2,074,316</b>
Profit for the year	1,009,845
<b>Balance at 01 July 2015</b>	<b>3,084,161</b>
Profit for the year	264,709
<b>Balance at 30 June 2016</b>	<b>3,348,870</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	186,934	1,056,501
Interest income		80,338	43,419
<b>Net cash from operating activities</b>		<b>267,272</b>	<b>1,099,920</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(289,000)	(506,553)
Sale of property, plant and equipment	2	397,541	8,000
<b>Net cash from investing activities</b>		<b>108,541</b>	<b>(498,553)</b>
<b>Total cash movement for the year</b>		<b>375,813</b>	<b>601,367</b>
Cash at the beginning of the year		1,690,010	1,088,643
<b>Total cash at end of the year</b>	4	<b>2,065,823</b>	<b>1,690,010</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Accounting Policies**

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**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, the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, and the Companies Act 71 of 2008. 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**

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

<b>Item</b>	<b>Average useful life</b>
Buildings	25 years
Computer equipment	3 years
Motor vehicles	5 years
Office equipment	6 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate, since the most recent annual reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**1.2 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

## **1.2 Financial instruments (continued)**

### **Financial instruments at amortised cost**

These include loans, trade receivables, trade payables and other assets and liabilities. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

Loans receivable are classified as current if the entity expects to receive repayment within 12 months after the reporting date. All other loans receivable are classified as non-current.

Loans payable are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## **1.3 Revenue**

Revenue comprises of 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 to.

Revenue is measured at the fair value of 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 discounts, volume rebates and value added tax.

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

## **1.4 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Notes to the Annual Financial Statements**

Figures in Rand 2016 2015

**2. Property, plant and equipment**

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,267,031	(381,321)	885,710	1,267,031	(346,422)	920,609
Computer equipment	28,180	(28,179)	1	28,180	(28,179)	1
Motor vehicles	546,489	(166,350)	380,139	613,753	(112,209)	501,544
Office equipment	9,420	(9,419)	1	9,420	(9,419)	1
<b>Total</b>	<b>1,851,120</b>	<b>(585,269)</b>	<b>1,265,851</b>	<b>1,918,384</b>	<b>(496,229)</b>	<b>1,422,155</b>

**Reconciliation of property, plant and equipment - 2016**

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	920,609	-	-	(34,899)	885,710
Computer equipment	1	-	-	-	1
Motor vehicles	501,544	289,000	(338,451)	(71,954)	380,139
Office equipment	1	-	-	-	1
	<b>1,422,155</b>	<b>289,000</b>	<b>(338,451)</b>	<b>(106,853)</b>	<b>1,265,851</b>

**Reconciliation of property, plant and equipment - 2015**

	Opening balance	Additions	Depreciation	Total
Buildings	971,290	-	(50,681)	920,609
Computer equipment	1	-	-	1
Motor vehicles	1	506,553	(5,010)	501,544
Office equipment	1	-	-	1
	<b>971,293</b>	<b>506,553</b>	<b>(55,691)</b>	<b>1,422,155</b>

**3. Trade and other receivables**

Deposits	3,205	3,205
Prepayments	21,777	21,550
	<b>24,982</b>	<b>24,755</b>

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	7,495	12,643
Bank balances	2,058,325	1,677,367
	<b>2,065,820</b>	<b>1,690,010</b>

**5. Trade and other payables**

Amounts received in advance	-	48,117
Other payables	2,394	-
Trade payables	5,393	4,643
	<b>7,787</b>	<b>52,760</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Notes to the Annual Financial Statements**

Figures in Rand	2016	2015
<b>6. Revenue</b>		
Donation income	1,119,861	1,407,391
Dr. Heinz-Horst Deichmann Foundation	269,427	211,742
Nacosa	484,138	575,505
Oxfam Australia	610,029	750,000
The Elma Foundation	350,000	350,000
The HCI Foundation	135,000	134,826
The Victor Daitz Foundation	96,000	-
	<u>3,064,455</u>	<u>3,429,464</u>
<b>7. Other income</b>		
Craft project income	127,323	149,792
Other income 2	21,106	82,424
Profit on sale of assets	59,090	8,000
	<u>207,519</u>	<u>240,216</u>
<b>8. Operating profit</b>		
Operating profit for the year is stated after accounting for the following:		
Property, plant and equipment	59,090	8,000
Depreciation on property, plant and equipment	106,853	55,691
Employee costs	1,558,661	1,344,700
	<u>1,724,604</u>	<u>1,408,391</u>
<b>9. Taxation</b>		
No provision has been raised for the entity as the entity is taxation exempt.		
<b>10. Cash generated from operations</b>		
Profit before taxation	264,709	1,009,846
<b>Adjustments for:</b>		
Depreciation and amortisation	106,853	55,691
Profit on sale of assets	(59,090)	(8,000)
Interest received	(80,338)	(43,419)
<b>Changes in working capital:</b>		
Trade and other receivables	(214)	(6,744)
Trade and other payables	(44,986)	49,127
	<u>186,934</u>	<u>1,056,501</u>



**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC  
Annual Financial Statements for the year ended 30 June 2016  
Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2016</b>	<b>2015</b>
<b>11. Directors' remuneration</b>		
<b>Executive</b>		
<b>2016</b>		
	Emoluments	Total
SR Hedden	146,000	146,000
BN Memela	117,000	117,000
NJ Nxasane	117,000	117,000
	<b>380,000</b>	<b>380,000</b>
<b>2015</b>		
	Emoluments	Total
SR Hedden	131,120	131,120
BN Memela	94,374	94,374
NJ Nxasane	94,374	94,374
	<b>319,868</b>	<b>319,868</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2016**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Dr Heinz Deichmann Foundation	269,427	211,742
The Elma Foundation	350,000	350,000
Daitz	96,000	-
HCI Foundation	135,000	134,826
Oxfam Australia	610,029	750,000
General donations	1,119,861	1,407,391
NACOSA	484,138	575,505
	<b>3,064,455</b>	<b>3,429,464</b>
<b>Other income</b>		
Craft Project Income	127,323	149,792
Reimbursements	21,106	82,424
Interest received	80,338	43,419
Gains on disposal of assets	59,090	8,000
	<b>287,857</b>	<b>283,635</b>
<b>Operating expenses</b>		
Accounting fees	65,298	24,696
Auditors remuneration	30,613	29,871
Bank charges	15,619	14,722
CBO vehicle and public transport expenses	212,160	284,247
Depreciation	106,853	55,691
Donor hosting	5,096	520
Electricity and water	30,147	20,309
Employee costs	1,558,661	1,344,700
Food parcels	-	45,975
Food security	-	170,573
Fundraising and statutory expenses	21,835	13,505
Insurance	36,961	23,127
Marketing and promotions	75,528	90,154
Medical Supplies and fortified foods	53,614	52,417
Office consumables and computer expenses	70,647	78,042
Overhead contribution	-	55,461
Playcentre	-	7,001
Repairs and maintenance	127,567	13,608
Security	7,314	1,405
Sustainable livelihood expenses	141,559	-
Telephone and fax	20,141	18,729
Training, meetings and other workshops	353,708	283,440
Wash Oxfam materials infrastructure	-	69,105
Youth development expenses	154,282	5,956
	<b>3,087,603</b>	<b>2,703,254</b>
<b>Profit for the year</b>	<b>264,709</b>	<b>1,009,845</b>