



M A Z A R S

**WOZA MOYA HIV AND AIDS
PROJECT NPC
(Registration number 2009/013994/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 30 JUNE 2012**

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
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	SR Hedden BN Memela NJ Nxasane
Registered office	Woza Moya Community Centre District Road 64 Chibini Community 3276
Postal address	P O Box 847 Ixopo Durban 3276
Banker	First National Bank Limited
Auditor	Mazars Registered Auditor
Company registration number	2009/013994/08
Level of assurance	These annual financial statements have been audited.
Preparer	The annual financial statements were independently compiled by: NB Bartlett Chartered Accountant (SA)

**WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012**

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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:

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

Report on the Annual Financial Statements

We have audited the annual financial statements of Woza Moya HIV and AIDS Project NPC, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 6 to 16.

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 the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the directors' determine are 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 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 qualified audit opinion.

Continued-/

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

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 HIV and AIDS Project NPC as at 30 June 2012, and its financial performance and cash flows for the 12 months then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Other matter

Without qualifying our opinion, 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.

Mazars

MAZARS
Partner: DB Bates
Registered Auditor
02 October 2012
Durban

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Directors' Responsibilities and Approval

The directors are required 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 12 months 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 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 12 months to 30 June 2013 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is 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 auditor and the report is presented on pages 3 to 4.

The annual financial statement set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board on 02 October 2012 and were signed on its behalf by:



SR Hedden



BN Memela



NJ Nxasane

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Directors' Report

The directors submit their report for the 12 months ended 30 June 2012.

1. Review of activities

Main business and operations

The company engages in running, developing and supporting an HIV/Aids community care and support programme and it operates 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.

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 intergrated 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 the Ubuhlebezwe, in the 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. 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. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial 12 months.

4. Directors

The directors of the company during the 12 months and to the date of this report are as follows:

SR Hedden
BN Memela
NJ Nxasane

5. Secretary

The company had no secretary during the 12 months.

6. Auditor

Mazars will continue in office.

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Statement of Financial Position

Figures in Rand	Notes	As at 30 June 2012	As at 30 June 2011
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,101,243	1,192,982
Current Assets			
Trade and other receivables	4	17,939	2,012
Cash and cash equivalents	5	1,278,218	1,172,036
		<u>1,296,157</u>	<u>1,174,048</u>
Total Assets		<u>2,397,400</u>	<u>2,367,030</u>
Equity and Liabilities			
Equity			
Retained income		2,393,199	2,365,110
Liabilities			
Current Liabilities			
Trade and other payables		4,201	1,920
Total Equity and Liabilities		<u>2,397,400</u>	<u>2,367,030</u>

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Statement of Comprehensive Income

Figures in Rand	Notes	12 months ended 30 June 2012	15 months ended 30 June 2011
Revenue		1,912,338	2,144,702
Other income		81,704	29,534
Operating expenses		(2,008,698)	(2,140,290)
Operating (deficit) surplus	6	(14,656)	33,946
Investment revenue		42,745	37,706
Surplus for the year	7	28,089	71,652
Other comprehensive income		-	-
Total comprehensive income for the 12 months		28,089	71,652

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Statement of Changes in Equity

Figures in Rand	Retained income
Balance at 01 April 2010	2,293,458
Changes in equity	
Total comprehensive income for the 15 months	71,652
Total changes	<u>71,652</u>
Balance at 01 July 2011	2,365,110
Changes in equity	
Total comprehensive income for the 12 months	28,089
Total changes	<u>28,089</u>
Balance at 30 June 2012	<u>2,393,199</u>

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Statement of Cash Flows

Figures in Rand	Notes	12 months ended 30 June 2012	15 months ended 30 June 2011
Cash flows from operating activities			
Cash generated from operations	9	63,437	129,878
Interest income		42,745	37,706
Net cash from operating activities		<u>106,182</u>	<u>167,584</u>
Total cash movement for the 12 months			
Cash at the beginning of the 12 months		106,182	167,584
Total cash at end of the 12 months	5	<u>1,172,036</u>	<u>1,004,452</u>
		<u>1,278,218</u>	<u>1,172,036</u>

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
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. 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, except for the changes set out in note 2 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

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 initially recognised at cost. Cost is the cash price equivalent at the recognition date.

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 carried at cost less accumulated depreciation and any impairment losses.

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, which is as follows:

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

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012

Accounting Policies

1.2 Financial instruments

Initial recognition

Financial assets and liabilities are only recognised when the entity becomes a party to the contractual provisions of the instrument.

Debt instruments measured at amortised cost

These debt instruments are basic financial instruments and are measured at amortised cost using the effective interest rate method. However, debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, unless the arrangement constitutes, in effect, a financing transaction, in which case the entity measures the debt instrument at the present value of the future payments discounted at a market rate of interest for similar debt instruments.

The following debt instruments on the statement of financial position are measured at amortised cost in accordance with the above:

- Trade and other receivables
- Trade and other payables

Cash

Cash is a basic financial instrument and is measured at cost.

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 discounts, volume rebates and value added tax.

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

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Notes to the Annual Financial Statements

Figures in Rand

12 months ended 30 June 2012	15 months ended 30 June 2011
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2. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2012 year end. On principle this standard has been applied retrospectively and the 2011 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the 12 months ended 30 June 2011. The standard gives certain mandatory exemptions from this principle, and certain optional exemptions which have been detailed below. All adjustments were made to the opening comparative statement of financial position.

The date of transition was 01 April 2010 and the effect of the transition was as follows.

Reconciliation of equity at 01 April 2010 (Date of transition to the new standard)

	As reported under previous GAAP	IFRS for SME
Property, plant and equipment	1,289,118	1,289,118
Trade and other receivables	2,010	2,010
Cash and cash equivalents	1,004,452	1,004,452
Total current assets	1,006,462	1,006,462
Trade and other payables	2,125	2,125
Total assets less total liabilities	2,293,455	2,293,455
Retained earnings	2,293,455	2,293,455

Reconciliation of equity at 30 June 2011

	As reported under previous GAAP	IFRS for SME
Property, plant and equipment	1,192,981	1,192,981
Trade and other receivables	2,010	2,010
Cash and cash equivalents	1,172,036	1,172,036
Total current assets	1,174,046	1,174,046
Trade and other payables	1,920	1,920
Total assets less total liabilities	2,365,107	2,365,107
Retained earnings	2,365,107	2,365,107

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Notes to the Annual Financial Statements

Figures in Rand

	12 months ended 30 June 2012	15 months ended 30 June 2011
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2. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities. (continued)

Reconciliation of profit or loss for 2011

	As reported under previous GAAP	IFRS for SME
Revenue	2,144,702	2,144,702
Gross profit	<u>2,144,702</u>	<u>2,144,702</u>
Other income	67,240	67,240
Operating expenses	<u>(2,140,290)</u>	<u>(2,140,290)</u>
Net surplus	<u>71,652</u>	<u>71,652</u>

Explanation of material adjustments to the Statement of Cash Flows for 2011

There are no material differences to the Statement of Cash Flows for the 2011 year arising from the transition to International Financial Reporting Standards for Small and Medium-sized Entities.

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Notes to the Annual Financial Statements

Figures in Rand

	12 months ended 30 June 2012	15 months ended 30 June 2011
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3. Property, plant and equipment

	2012		2011			
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,267,031	(194,377)	1,072,654	1,267,031	(131,026)	1,136,005
Motor vehicles	107,200	(78,613)	28,587	107,200	(51,813)	55,387
Office equipment	9,420	(9,419)	1	9,420	(7,831)	1,589
Computer equipment	28,180	(28,179)	1	28,180	(28,179)	1
Total	1,411,831	(310,588)	1,101,243	1,411,831	(218,849)	1,192,982

Reconciliation of property, plant and equipment - 2012

	Opening balance	Depreciation	Total
Buildings	1,136,005	(63,351)	1,072,654
Motor vehicles	55,387	(26,800)	28,587
Office equipment	1,589	(1,588)	1
Computer equipment	1	-	1
	1,192,982	(91,739)	1,101,243

4. Trade and other receivables

Deposits	2,805	2,012
Prepayments	15,134	-
	17,939	2,012

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	22,542	4,257
Bank balances	1,255,676	1,167,779
	1,278,218	1,172,036

6. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	91,740	96,137
Employee costs	824,676	920,298

7. Investment revenue

Interest revenue		
Bank	42,745	29,666
Other interest	-	8,040
	42,745	37,706

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012
Notes to the Annual Financial Statements

Figures in Rand	12 months ended 30 June 2012	15 months ended 30 June 2011
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8. 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 2012 tax as the company is not liable for tax.

9. Cash generated from operations

Surplus before taxation	28,089	71,652
Adjustments for:		
Depreciation	91,740	96,137
Interest received	(42,745)	(37,706)
Changes in working capital:		
Trade and other receivables	(15,928)	-
Trade and other payables	2,281	(205)
	<u>63,437</u>	<u>129,878</u>

WOZA MOYA HIV AND AIDS PROJECT NPC
Annual Financial Statements for the 12 months ended 30 June 2012

Detailed Income Statement

Figures in Rand	12 months ended 30 June 2012	15 months ended 30 June 2011
Revenue		
Aids Foundation of South Africa	-	719,666
Department of Social Development	150,000	-
General donations	718,738	755,922
Hospice Palliative Care Association of South Africa	113,100	116,625
National Lottery Distribution Trust Fund	192,500	-
Oxfam Australia	688,000	302,489
The Victoria Daitz Foundation	50,000	250,000
	<u>1,912,338</u>	<u>2,144,702</u>
Other income		
Craft sales	60,436	29,534
Reimbursements	21,268	-
Interest received	42,745	37,706
	<u>124,449</u>	<u>67,240</u>
Operating expenses		
Accounting fees	48,434	28,899
Auditor's remuneration	20,272	14,683
Bank charges	15,222	15,088
Capacity building development costs	51,631	61,948
Consulting fees	9,822	9,245
Depreciation	91,740	96,137
Donor hosting	12,000	10,921
Electricity and water	13,141	17,093
Employee costs	824,676	920,298
Food security	94,183	137,094
Insurance	7,567	21,012
Marketing and promotions	12,941	39,980
Motor vehicle and transport expenses	179,339	193,263
Office consumables	31,799	101,355
Repairs and maintenance	66,650	23,226
Telephone, fax and internet	34,641	39,690
Outreach work		
Food parcels	494,640	410,358
Medical supplies and fortified foods	267,728	168,917
School expenses	-	60,593
CCC Forum	203,912	121,467
Play therapy	23,000	7,357
	<u>2,008,698</u>	<u>2,140,290</u>
Surplus for the 12 months	<u>28,089</u>	<u>71,652</u>

Surplus for the 12 months