

**WOZA MOYA COMMUNITY DEVELOPMENT  
PROJECT (RF) NPC  
(Registration number 2009/013994/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**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>Bankers</b>	First National Bank Limited
<b>Auditors</b>	Mazars Inc. 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.
<b>Preparer</b>	The annual financial statements were independently compiled by: DB Bates Chartered Accountant (South Africa)

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
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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 AUDITORS' REPORT

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### To the members of Woza Moya Community Development Project (RF) NPC

We have audited the annual financial statements of Woza Moya Community Development Project (RF) NPC, as set out on pages 7 to 14, which comprise the statement of financial position as at 30 June 2014, 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 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 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 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 qualified audit opinion.

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## **INDEPENDENT AUDITORS' REPORT**

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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 2014, 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.

### **Other matter**

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 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**

As part of our audit of the annual financial statements for the year ended 30 June 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Mazars Inc.

**Mazars Inc.**  
**Director: NB Olivier**  
**Registered Auditor**  
**10 November 2014**  
**Durban**

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**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 2015 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 15, which have been prepared on the going concern basis, were approved by the board of directors on 10 November 2014 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 2014**  
**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 2014.

**1. Nature of business**

The company engages in providing services in community care, support and empowerment, in order to improve health outcomes and 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 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. 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:

**Directors**  
SR Hedden  
BN Memela  
NJ Nxasane

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

**4. Events after the reporting period**

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

**5. 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.

**6. Auditors**

Mazars Inc. continued in office as auditors for the company for 2015.

**7. 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 2014**  
**Statement of Financial Position as at 30 June 2014**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	971,293	1,029,121
<b>Current Assets</b>			
Trade and other receivables	3	18,011	17,407
Cash and cash equivalents	4	1,088,643	1,104,602
		<b>1,106,654</b>	<b>1,122,009</b>
<b>Total Assets</b>		<b>2,077,947</b>	<b>2,151,130</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		2,074,313	2,141,390
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		3,634	9,740
<b>Total Equity and Liabilities</b>		<b>2,077,947</b>	<b>2,151,130</b>



**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Note</b>	<b>2014</b>	<b>2013</b>
Revenue		2,433,326	2,233,078
Other income		179,007	180,645
Operating expenses		(2,720,667)	(2,711,553)
<b>Operating deficit</b>	<b>5</b>	<b>(108,334)</b>	<b>(297,830)</b>
Investment revenue		41,257	46,021
<b>Deficit for the year</b>		<b>(67,077)</b>	<b>(251,809)</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Retained income</b>
<b>Balance at 01 July 2012</b>	<b>2,393,199</b>
<b>Deficit for the year</b>	<b>(251,809)</b>
<b>Balance at 01 July 2013</b>	<b>2,141,390</b>
<b>Deficit for the year</b>	<b>(67,077)</b>
<b>Balance at 30 June 2014</b>	<b>2,074,313</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	7	(57,216)	(219,637)
Interest income		41,257	46,021
<b>Net cash from operating activities</b>		<b>(15,959)</b>	<b>(173,616)</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		1,104,602	1,278,218
<b>Total cash at end of the year</b>	4	<b>1,088,643</b>	<b>1,104,602</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Accounting Policies**

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**1. Presentation of 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 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.

If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

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.

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

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated 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:

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

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant 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.

**1.2 Financial instruments**

**Trade and other receivables**

Trade and other receivables are recognised initially at the transaction price and subsequently at the undiscounted amount of the cash or other consideration expected to be received, less provision for impairment.

**Trade and other payables**

Trade and other payables are recognised initially at the transaction price and subsequently at the undiscounted amount of the cash or other consideration expected to be paid.

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Accounting Policies**

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**1.2 Financial instruments (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. These balances are measured at amortised cost.

Bank overdrafts are disclosed within borrowings in current liabilities on the statement of financial position.

**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 to.

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 COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Notes to the Annual Financial Statements**

Figures in Rand 2014 2013

**2. Property, plant and equipment**

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,267,031	(295,741)	971,290	1,267,031	(245,059)	1,021,972
Motor vehicles	107,200	(107,199)	1	107,200	(100,053)	7,147
Office equipment	9,420	(9,419)	1	9,420	(9,419)	1
Computer equipment	28,180	(28,179)	1	28,180	(28,179)	1
<b>Total</b>	<b>1,411,831</b>	<b>(440,538)</b>	<b>971,293</b>	<b>1,411,831</b>	<b>(382,710)</b>	<b>1,029,121</b>

**Reconciliation of property, plant and equipment - 2014**

	Opening balance	Depreciation	Total
Buildings	1,021,972	(50,682)	971,290
Motor vehicles	7,147	(7,146)	1
Office equipment	1	-	1
Computer equipment	1	-	1
	<b>1,029,121</b>	<b>(57,828)</b>	<b>971,293</b>

**Reconciliation of property, plant and equipment - 2013**

	Opening balance	Depreciation	Total
Buildings	1,072,654	(50,682)	1,021,972
Motor vehicles	28,587	(21,440)	7,147
Office equipment	1	-	1
Computer equipment	1	-	1
	<b>1,101,243</b>	<b>(72,122)</b>	<b>1,029,121</b>

**3. Trade and other receivables**

Prepayments	14,979	14,602
Deposits	3,032	2,805
	<b>18,011</b>	<b>17,407</b>

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	6,471	6,501
Bank balances	1,082,172	1,098,101
	<b>1,088,643</b>	<b>1,104,602</b>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Notes to the Annual Financial Statements**

Figures in Rand	2014	2013
<b>5. Operating deficit</b>		
Operating deficit for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	57,827	72,121
Employee costs	1,217,364	1,178,749
<b>6. Taxation</b>		
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 2014 tax as the company is not liable for tax.		
<b>7. Cash used in operations</b>		
Deficit	(67,077)	(251,809)
<b>Adjustments for:</b>		
Depreciation	57,827	72,121
Interest received	(41,257)	(46,021)
<b>Changes in working capital:</b>		
Trade and other receivables	(604)	532
Trade and other payables	(6,105)	5,540
	<u>(57,216)</u>	<u>(219,637)</u>

**WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC**  
**Annual Financial Statements for the year ended 30 June 2014**  
**Detailed Income Statement**

Figures in Rand	2014	2013
<b>Revenue</b>		
Dr. Heinz-Horst Deichmann-Foundation	203,998	175,325
General donations	759,296	562,010
HCI Foundation	303,760	84,588
Hospice Palliative Care Association of South Africa	66,272	68,655
National Lottery Distribution Trust Fund	-	192,500
Oxfam Australia	750,000	650,000
The ELMA Foundation	350,000	500,000
	<b>2,433,326</b>	<b>2,233,078</b>
<b>Other income</b>		
Craft sales	155,721	122,380
Interest received	41,257	46,021
Reimbursements	23,286	58,265
	<b>220,264</b>	<b>226,666</b>
<b>Operating expenses</b>		
Accounting fees	56,874	22,239
Auditors remuneration	24,467	26,084
Bank charges	12,169	17,664
Consulting fees	14,167	9,795
Depreciation	57,827	72,121
Donor hosting	7,026	4,820
Electricity and water	21,963	16,838
Employee costs	1,262,593	1,178,749
Food parcels	45,001	-
Insurance	22,414	18,174
Marketing and promotions	61,388	32,710
Motor vehicle and transport expenses	299,019	317,077
Office consumables	40,782	34,497
Repairs and maintenance	71,512	27,158
Telephone, fax and internet	23,455	47,925
Wash Oxham materials infrastructure	302,303	244,319
	<b>397,707</b>	<b>228,949</b>
<b>Outreach work</b>		
Food security	143,138	24,680
Medical supplies and fortified foods	40,179	71,957
Playcentre	3,582	4,536
School expenses	3,527	1,465
Training, workshops and meetings	207,281	126,311
	<b>2,720,667</b>	<b>2,414,140</b>
<b>Deficit for the year</b>	<b>(67,077)</b>	<b>45,604</b>
<b>Total comprehensive deficit for the year</b>	<b>(67,077)</b>	<b>45,604</b>