

Financial statements

The Chiva South Africa Foundation Trust

Period ended 28 February 2013

# **The Chiva South Africa Foundation Trust**

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Type of trust</b>	Inter-vivos trust
<b>Trustees</b>	P Syrris H Coovadia N H McKerrow K L Moshal J H Moshal K L Naidoo M J Kluk
<b>Business address</b>	249 Avondale Road Durban 4001
<b>Postal address</b>	P O Box 4652 Durban 4000
<b>Bankers</b>	The Standard Bank of South Africa Limited
<b>Auditors</b>	Grant Thornton Chartered Accountants (S.A.) Registered Auditors South African member of Grant Thornton International
<b>Trust registration number</b>	IT247/2009

# **The Chiva South Africa Foundation Trust**

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Annual Financial Statements for the 12 months ended 29 February 2012

## **Index**

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

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## Independent Auditors' Report

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### To the trustee of The Chiva South Africa Foundation Trust

We have audited the annual financial statements of The Chiva South Africa Foundation Trust, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 months then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report, as set out on pages 5 to 12.

### Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in note 1 of the Annual Financial Statements, and requirements of the Companies Act of South Africa, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Chiva South Africa Foundation Trust as at 28 February 2013, and its financial performance and its cash flows for the 12 months then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.



**Grant Thornton**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

1 August 2013

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## Trustees' Responsibilities and Approval

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The trustees 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 trust 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 basis of accounting as set out in note 1 of the Annual Financial Statements. The external auditors are engaged to express an independent opinion on the annual financial statements.


The annual financial statements are prepared in accordance with the basis of accounting as set out in note 1 of the Annual Financial Statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the trust's cash flow forecast for the 12 months to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the trustees on 01 August 2013 and were signed on its behalf by:

  
Trustee

  
Trustee

01 August 2013

# **The Chiva South Africa Foundation Trust**

(Registration number IT247/2009)

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## **Trustees' Report**

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The trustees submit their report for the 12 months ended 29 February 2013.

### **1. The trust**

The trust was formed in terms of a trust settlement by J H Moshal dated 18 February 2009 as amended by a supplementary notarial deed dated 12 March 2009.

### **2. Review of activities**

#### **Main business and operations**

The trust is an inter-vivos trust which was formed to carry on the Health Care Public Benefits Activities of providing free services relating to the prevention of HIV infection, the provision of preventative and education programmes relating to HIV / AIDS, the care, counselling or treatment of persons affected with HIV / AIDS, including the care or counselling of their families and dependents in this regard. The trust operates principally in South Africa.

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net deficit of the trust was R 5 434 (2012: profit R 136 531), after taxation of R - (2012: R -).

### **3. Events after the reporting period**

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

### **4. Trustees**

The trustees of the trust during the 12 months and to the date of this report are as follows:

Name  
P Syrris  
H Coovadia  
N H McKerrow  
K L Moshal  
J H Moshal  
K L Naidoo  
M J Kluk

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## Statement of Financial Position

<b>Figures in Rands</b>	<b>Note(s)</b>	<b>2013</b>	<b>2012</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	58 041	131 735
<b>Current Assets</b>			
Trade and other receivables	3	476 000	1 000
Cash and cash equivalents	4	7 543	134 046
		<b>483 543</b>	<b>135 046</b>
<b>Total Assets</b>		<b>541 584</b>	<b>266 781</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	5	1 000	1 000
Accumulated surplus		239 960	245 394
		<b>240 960</b>	<b>246 394</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	300 624	20 387
<b>Total Equity and Liabilities</b>		<b>541 584</b>	<b>266 781</b>

# The Chiva South Africa Foundation Trust

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Annual Financial Statements for the 12 months ended 29 February 2012

## Statement of Comprehensive Income

Figures in Rands	Note(s)	2013	2012
<b>Other Income</b>			
Donations received		2 876 507	2 402 862
Interest received	7	1 191	3 564
		<b>2 877 698</b>	<b>2 406 426</b>
<b>Operating expenses</b>			
Accommodation costs		(389 610)	(320 248)
Auditors' remuneration		(6 099)	(7 239)
Bank charges		(1 718)	(1 275)
Car hire		(122 395)	(104 513)
Computer expenses		(3 891)	(2 959)
Conference and catering costs		(202 557)	(108 397)
Consulting and professional fees		-	(37 500)
Depreciation, amortisation and impairments		(73 693)	(73 693)
Employee costs		(1 232 959)	(683 802)
Entertainment		-	(179)
Insurance		(4 901)	(5 270)
Lease rentals on operating lease		-	(39 600)
Medical expenses		(4 517)	(9 500)
Other expenses		(84 258)	(1 736)
Postage		(1 180)	(145)
Printing and stationery		(28 455)	(13 342)
Repairs and maintenance		(1 300)	(100)
Telephone and fax		(39 384)	(24 439)
Training		(1 450)	-
Transport and freight		-	(590)
Travelling costs - overseas doctors		(620 088)	(796 602)
Utilities		-	(2 976)
Visa fees		-	(1 708)
Volunteer meals		(64 677)	(34 082)
		<b>(2 883 132)</b>	<b>(2 269 895)</b>
<b>(Deficit) surplus for the 12 months</b>		<b>(5 434)</b>	<b>136 531</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the 12 months</b>		<b>(5 434)</b>	<b>136 531</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		(5 434)	136 531



# The Chiva South Africa Foundation Trust

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Annual Financial Statements for the 12 months ended 29 February 2012

## Statement of Changes in Equity

<b>Figures in Rands</b>	<b>Trust capital</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
<b>Balance at 1 March 2011</b>	<b>1 000</b>	<b>108 863</b>	<b>109 863</b>
Changes in equity			
Total comprehensive income for the year	-	136 531	136 531
Total changes	-	136 531	136 531
<b>Balance at 1 March 2012</b>	<b>1 000</b>	<b>245 394</b>	<b>246 394</b>
Changes in equity			
Total comprehensive deficit for the 12 months	-	(5 434)	(5 434)
Total changes	-	(5 434)	(5 434)
<b>Balance at 28 February 2012</b>	<b>1 000</b>	<b>239 960</b>	<b>240 960</b>

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## Statement of Cash Flows

<b>Figures in Rands</b>	<b>Note(s)</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers		-	143 731
Cash paid to suppliers and employees		(127 694)	92 237
Cash (used in) generated from operations	9	(127 694)	235 968
Interest income		1 191	3 564
<b>Net cash from operating activities</b>		<b>(126 503)</b>	<b>239 532</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		-	(119 084)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(119 084)</b>
<b>Total cash movement for the 12 months</b>		<b>(126 503)</b>	<b>120 448</b>
Cash at the beginning of the 12 months		134 046	13 598
<b>Total cash at end of the 12 months</b>	4	<b>7 543</b>	<b>134 046</b>

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the basis of accounting as set out below. The annual financial statements have been prepared on the historical cost basis.

#### 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.

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 is 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
Motor vehicles	3 years
Office equipment	5 years
IT 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.

#### 1.2 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Donations are recognised in surpluses or deficit when they are received.

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 29 February 2012

## Notes to the Annual Financial Statements

Figures in Rands

2013

2012

### 2. Property, plant and equipment

	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	7 500	(6 250)	1 250	7 500	(3 750)	3 750
Motor vehicles	205 501	(154 110)	51 391	205 501	(85 616)	119 885
Office equipment	13 500	(8 100)	5 400	13 500	(5 400)	8 100
<b>Total</b>	<b>226 501</b>	<b>(168 460)</b>	<b>58 041</b>	<b>226 501</b>	<b>(94 766)</b>	<b>131 735</b>

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

	Opening Balance	Depreciation	Total
IT equipment	3 750	(2 500)	1 250
Motor vehicles	119 885	(68 494)	51 391
Office equipment	8 100	(2 700)	5 400
	<b>131 735</b>	<b>(73 694)</b>	<b>58 041</b>

#### Reconciliation of property, plant and equipment - 2012

	Opening Balance	Depreciation	Total
IT equipment	6 250	(2 500)	3 750
Motor vehicles	188 378	(68 493)	119 885
Office equipment	10 800	(2 700)	8 100
	<b>205 428</b>	<b>(73 693)</b>	<b>131 735</b>

### 3. Trade and other receivables

Other receivables	476 000	1 000
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	7 543	134 046
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### 5. Trust capital

#### Founders donation

Balance at end of period	1 000	1 000
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### 6. Trade and other payables

Accruals	718	-
Other payables	19 588	-
Trade payables	280 318	20 387
	<b>300 624</b>	<b>20 387</b>

# The Chiva South Africa Foundation Trust

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## Notes to the Annual Financial Statements

Figures in Rands	2012	2012
<b>7. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	1 191	3 564
<b>8. Taxation</b>		
No provision has been made for 2013 tax as the trust is exempt from taxation.		
<b>9. Cash (used in) generated from operations</b>		
(Deficit) surplus before taxation	(5 434)	136 531
<b>Adjustments for:</b>		
Depreciation and amortisation	73 693	73 693
Interest received	(1 191)	(3 564)
<b>Changes in working capital:</b>		
Trade and other receivables	(475 000)	7 200
Prepayments	-	2 175
Trade and other payables	280 238	19 933
	<b>(127 694)</b>	<b>235 968</b>
<b>10. Related parties</b>		
<b>Relationships</b>		
<b>Trustees</b>	P Syrris H Coovadia N H McKerrow K L Moshal J H Moshal K L Naidoo M J Kluk	
<b>Entities</b>	Quad Triangle (Proprietary) Limited The Jakamar Trust	
<b>Other</b>		
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Quad Triangle (Proprietary) Limited	1 000	1 000
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Quad Triangle Proprietary Limited	(276 966)	-
The Jakamar Trust	475 000	-