

Financial statements

The Chiva South Africa Foundation Trust

Period ended 28 February 2014

The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the 12 months ended 28 February 2014

General Information

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

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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

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 2014, 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 as set out on pages 6 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 International Financial Reporting Standard for Small and Medium-sized Entities, 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

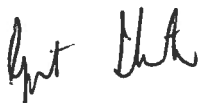
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2014, 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
Registered Auditors

01 August 2014

2nd Floor, 4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia
4019

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Trustees' Responsibilities and Approval

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 International Financial Reporting Standard for Small and Medium-sized Entities 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 International Financial Reporting Standard for Small and Medium-sized Entities 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.

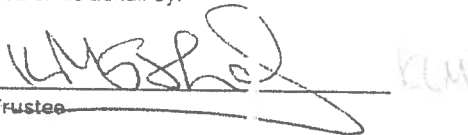
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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 2015 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 2014 and were signed on its behalf by:


Trustee/


Trustee

01 August 2014

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Trustees' Report

The trustees submit their report for the 12 months ended 28 February 2014.

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 surplus of the trust was R 22 655 (2013: loss R 5 434), after taxation of R - (2013: 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

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Statement of Financial Position

Figures in Rands	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	58 041
Current Assets			
Trade and other receivables	3	476 000	476 000
Cash and cash equivalents	4	5 585	7 543
		481 585	483 543
Total Assets		481 585	541 584
Equity and Liabilities			
Equity			
Trust capital	5	1 000	1 000
Accumulated surplus		262 615	239 960
		263 615	240 960
Liabilities			
Current Liabilities			
Trade and other payables	6	217 970	300 624
Total Equity and Liabilities		481 585	541 584

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Statement of Comprehensive Income

Figures in Rands	Note(s)	2014	2013
Other income			
Donations received		2 874 882	2 876 507
Interest received	7	2 908	1 191
		2 877 790	2 877 698
Operating expenses			
Accommodation costs		(417 854)	(389 610)
Auditors' remuneration		(10 659)	(6 099)
Bank charges		(1 923)	(1 718)
Car hire		(167 701)	(122 395)
Computer expenses		(1 617)	(3 891)
Conference and catering costs		(179 458)	(202 557)
Depreciation, amortisation and impairments		(58 041)	(73 693)
Donations		(20 640)	-
Employee costs		(1 297 460)	(1 232 959)
Entertainment		(3 773)	-
Insurance		(4 972)	(4 901)
Medical expenses		(2 289)	(4 517)
Other expenses		(4 960)	(84 258)
Postage		(24)	(1 180)
Printing and stationery		(29 352)	(28 455)
Repairs and maintenance		(4 138)	(1 300)
Telephone and fax		(61 314)	(39 384)
Training		-	(1 450)
Travelling costs - overseas doctors		(517 448)	(620 088)
Volunteer meals		(71 512)	(64 677)
		(2 855 135)	(2 883 132)
Surplus (deficit) for the 12 months		22 655	(5 434)
Other comprehensive income		-	-
Total comprehensive income (loss) for the 12 months		22 655	(5 434)
Total comprehensive deficit attributable to:			
Owners of the parent		22 655	(5 434)

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Statement of Changes in Equity

Figures in Rands	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2012	1 000	245 394	246 394
Changes in equity			
Total comprehensive income for the year	-	(5 434)	(5 434)
Total changes	-	(5 434)	(5 434)
Balance at 01 March 2013	1 000	239 960	240 960
Changes in equity			
Total comprehensive income for the 12 months	-	22 655	22 655
Total changes	-	22 655	22 655
Balance at 28 February 2014	1 000	262 615	263 615

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Statement of Cash Flows

Figures in Rands	Note(s)	2014	2013
Cash flows from operating activities			
Cash used in operations	9	(4 866)	(127 694)
Interest income		2 908	1 191
Net cash from operating activities		(1 958)	(126 503)
Total cash movement for the 12 months			
Cash at the beginning of the 12 months		7 543	134 046
Total cash at end of the 12 months	4	5 585	7 543

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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 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.

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Figures in Rands 2014 2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	7 500	(7 500)	-	7 500	(6 250)	1 250
Motor vehicles	205 501	(205 501)	-	205 501	(154 110)	51 391
Office equipment	13 500	(13 500)	-	13 500	(8 100)	5 400
Total	226 501	(226 501)	-	226 501	(168 460)	58 041

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Depreciation	Total
IT equipment	1 250	(1 250)	-
Motor vehicles	51 391	(51 391)	-
Office equipment	5 400	(5 400)	-
	58 041	(58 041)	-

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
	131 735	(73 694)	58 041

3. Trade and other receivables

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

Cash and cash equivalents consist of:

Bank balances	5 585	7 543
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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	216 098	718
Other payables	803	19 588
Trade payables	1 069	280 318
	217 970	300 624

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Notes to the Annual Financial Statements

Figures in Rands	2014	2013
7. Investment revenue		
Interest revenue		
Bank	2 908	1 191
8. Taxation		
No provision has been made for 2014 tax as the trust is exempt from taxation.		
9. Cash used in operations		
Surplus (deficit) before taxation	22 655	(5 434)
Adjustments for:		
Depreciation and amortisation	58 041	73 693
Interest received	(2 908)	(1 191)
Changes in working capital:		
Trade and other receivables	-	(475 000)
Trade and other payables	(82 654)	280 238
	(4 866)	(127 694)
10. Related parties		
Relationships		
Trustees	P Syrris	
	H Coovadia	
	N H McKerrow	
	K L Moshal	
	J H Moshal	
	K L Naidoo	
	M J Kluk	
Entities	Quad Triangle (Proprietary) Limited	
Other	The Jakamar Trust	
Related party balances		
Loan accounts - Owing (to) by related parties		
Quad Triangle (Proprietary) Limited	1 000	1 000
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Quad Triangle Proprietary Limited	(214 630)	(276 966)
The Jakamar Trust	475 000	475 000