

Financial statements

The Chiva South Africa Foundation Trust

Period ended 28 February 2015

**DRAFT**  
FOR PRELIMINARY AND INTERIM  
PURPOSES ONLY AND NOT  
FOR DISTRIBUTION  
THIS DOCUMENT IS NOT TO BE USED FOR ANY  
PURPOSE WITHOUT THE PRIOR WRITTEN  
CONSENT OF THORNTON AND NO ASSURANCE IS GIVEN

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## General Information

---

<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

**DRAFT**  
FOR PRELIMINARY ANALYSIS ONLY  
PURPOSES ONLY AND SHOULD NOT  
BE USED FOR ANY OTHER  
PURPOSES WITHOUT THE WRITTEN CONSENT OF  
THE ISSUING ENTITY AND NO ASSURANCE IS GIVEN

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Index

---

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

<b>Index</b>	<b>Page</b>
Independent Auditors' Report	3
Trustees' Responsibilities and Approval	4
Trustees' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 12



# **The Chiva South Africa Foundation Trust**

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## **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 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 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 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 year to 29 February 2016 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 31 July 2015 and were signed on its behalf by:

---

Trustee

---

Trustee

31 July 2015

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Trustees' Report

---

The trustees submit their report for the year ended 28 February 2015.

### 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 30 454 (2014: profit R 22 655), after taxation of R - (2014: R -).

### 3. Events after the reporting period

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

### 4. Trustees

The trustees of the trust during the year 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 year ended 28 February 2015

## Statement of Financial Position

Figures in Rands	Note(s)	2015	2014
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	3	476 000	476 000
Cash and cash equivalents	4	1 393	5 585
		<b>477 393</b>	<b>481 585</b>
<b>Total Assets</b>		<b>477 393</b>	<b>481 585</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	5	1 000	1 000
Accumulated surplus		232 161	262 615
		<b>233 161</b>	<b>263 615</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	244 232	217 970
<b>Total Equity and Liabilities</b>		<b>477 393</b>	<b>481 585</b>

**DRAFT**  
FOR PRELIMINARY AND INFORMATIONAL  
PURPOSES ONLY AND NOT TO BE  
USED FOR ANY OTHER PURPOSES  
WITHOUT THE PRIOR WRITTEN  
CONSENT OF THORNTON AND NO ASSURANCE IS EXPRESSED HEREON

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Statement of Comprehensive Income

Figures in Rands	Note(s)	2015	2014
<b>Other Income</b>			
Donations received		3 483 144	2 874 882
Interest received	7	3 713	2 908
		<b>3 486 857</b>	<b>2 877 790</b>
<b>Operating expenses</b>			
Accommodation costs		(535 403)	(417 854)
Auditors' remuneration		(8 949)	(10 659)
Bank charges		(2 571)	(1 923)
Car hire		(218 423)	(167 701)
Computer expenses		(2 161)	(1 617)
Conference and catering costs		(165 552)	(179 458)
Depreciation, amortisation and impairments		-	(58 041)
Donations		(18 730)	(20 640)
Employee costs		(1 691 203)	(1 297 460)
Entertainment		-	(3 773)
Insurance		(10 395)	(4 972)
Medical expenses		(2 761)	(2 289)
Other expenses		(4 310)	(4 960)
Postage		(49)	(24)
Printing and stationery		(18 225)	(29 352)
Repairs and maintenance		(10 709)	(4 138)
Telephone and fax		(49 772)	(61 314)
Travelling costs - overseas doctors		(674 509)	(517 448)
Visa fees		(16 754)	-
Volunteer meals		(86 835)	(71 512)
		<b>(3 517 311)</b>	<b>(2 855 135)</b>
<b>(Deficit) surplus for the year</b>		<b>(30 454)</b>	<b>22 655</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(30 454)</b>	<b>22 655</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		(30 454)	22 655

DRAFT  
FOR INFORMATION AND COMMENT ONLY  
THIS DOCUMENT IS NOT FOR DISTRIBUTION  
AND SHOULD NOT BE USED FOR ANY  
PURPOSES WITHOUT THE WRITTEN CONSENT OF  
THE TRUSTEES AND NO ASSURANCE IS GIVEN

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Statement of Changes in Equity

Figures in Rands	Trust capital	Accumulated surplus	Total equity
<b>Balance at 01 March 2013</b>	<b>1 000</b>	<b>239 960</b>	<b>240 960</b>
Changes in equity			
Total comprehensive income for the year	-	22 655	22 655
Total changes	-	22 655	22 655
<b>Balance at 01 March 2014</b>	<b>1 000</b>	<b>262 615</b>	<b>263 615</b>
Changes in equity			
Total comprehensive deficit for the year	-	(30 454)	(30 454)
Total changes	-	(30 454)	(30 454)
<b>Balance at 28 February 2015</b>	<b>1 000</b>	<b>232 161</b>	<b>233 161</b>

**DRAFT**  
FOR PRELIMINARY AND ONLY INTERIM  
PURPOSES. ONLY AFORESAID  
CONSIDERED AS A  
DRAFT AND NOT TO BE USED FOR  
FORM WITHOUT THE PRIOR PERMISSION OF THE  
PROFESSOR AND NO ASSURANCE IS EXPRESSED.



# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Statement of Cash Flows

Figures in Rands	Note(s)	2015	2014
<b>Cash flows from operating activities</b>			
Cash used in operations	9	(7 905)	(4 869)
Interest income		3 713	2 908
<b>Net cash from operating activities</b>		<b>(4 192)</b>	<b>(1 961)</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		5 585	7 543
<b>Total cash at end of the year</b>	4	<b>1 393</b>	<b>5 582</b>

**DRAFT**  
FOR PRELIMINARY ANALYSIS ONLY  
FOR INFORMATION ONLY  
THIS DOCUMENT IS NOT FOR DISTRIBUTION  
AND NO LIABILITY IS ACCEPTED FOR  
THE CONTENTS AND NO ASSURANCE IS GIVEN

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## 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.

**DRAFT**  
FOR PRELIMINARY AND/OR DISCUSSION  
PURPOSE ONLY AND NOT TO BE  
USED FOR ANY OTHER PURPOSE  
WITHOUT EXPRESS WRITTEN  
PERMISSION OF THE PUBLIC ACCOUNTANTS  
IN THE REPUBLIC OF SOUTH AFRICA

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

Figures in Rands 2015 2014

### 2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	7 500	(7 500)	-	7 500	(7 500)	-
Motor vehicles	205 501	(205 501)	-	205 501	(205 501)	-
Office equipment	13 500	(13 500)	-	13 500	(13 500)	-
<b>Total</b>	<b>226 501</b>	<b>(226 501)</b>	<b>-</b>	<b>226 501</b>	<b>(226 501)</b>	<b>-</b>

### 3. Trade and other receivables

Other receivables	476 000	476 000
-------------------	---------	---------

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 393	5 585
---------------	-------	-------

### 5. Trust capital

#### Founders donation

Balance at end of period	1 000	1 000
--------------------------	-------	-------

### 6. Trade and other payables

Accruals	233 236	216 098
Other payables	8 875	803
Trade payables	2 121	1 069
	<b>244 232</b>	<b>217 970</b>

### 7. Investment revenue

#### Interest revenue

Bank	3 713	2 908
------	-------	-------

### 8. Taxation

No provision has been made for 2015 tax as the trust is exempt from taxation.

### 9. Cash used in operations

(Deficit) surplus before taxation	(30 454)	22 655
<b>Adjustments for:</b>		
Depreciation and amortisation	-	58 041
Interest received	(3 713)	(2 908)
<b>Changes in working capital:</b>		
Trade and other payables	26 262	(82 657)
	<b>(7 905)</b>	<b>(4 869)</b>

**DRAFT**  
 FOR PRELIMINARY AND  
 PURPOSES ONLY AND  
 NOT FOR  
 DISTRIBUTION  
 WITHOUT THE  
 APPROVAL AND ASSURANCE OF THE  
 ACCOUNTANTS

# The Chiva South Africa Foundation Trust

(Registration number IT247/2009)

Annual Financial Statements for the year ended 28 February 2015

## Notes to the Annual Financial Statements

Figures in Rands	2015	2014
<b>10. Related parties</b>		
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	
<b>Related party balances</b>		
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Quad Triangle (Proprietary) Limited	1 000	1 000
Quad Triangle (Proprietary) Limited	(211 619)	(216 630)
The Jakamar Trust	475 000	475 000

**DRAFT**  
 FOR PRELIMINARY AND/OR DISCUSSION  
 PURPOSES ONLY AND SUBJECT TO  
 COMPLETION OF A/D  
 THIS DOCUMENT IS NOT TO BE REPRODUCED OR  
 FORM WITHOUT THE PRIOR WRITTEN CONSENT OF  
 THE ISSUER AND NO ASSURANCE IS EXPRESSED HERON