# AIDS Mission Outreach Trust

(Registration number IT2340/99)
Trading as AIDS Mission Outreach Trust
Financial statements
for the year ended 29 February 2016
SizweNtsalubaGobodo
Chartered Accountants (S.A.)
Registered Auditors
Published 02 May 2016

## General Information

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Type of trust** | Intervivos |
| **Trustees** | Mr D L Bailey<br>Mrs B Botha<br>Mrs S Chesiwe<br>Mr KHK Khoza<br>Mr S R Khumalo<br>Mrs M Miles<br>Mr N Pillay<br>Mrs A M Snyman<br>Dr C M Walsh<br>Dr I B Westmore<br>Mr B Yeowart (Honorary) |
| **Business address** | 117 Springbok Street<br>Bloemspruit<br>9364 |
| **Postal address** | PO Box 28360<br>Danhof<br>9310 |
| **Bankers** | Standard Bank |
| **Auditors** | SizweNtsalubaGobodo<br>Chartered Accountants (S.A.)<br>Registered Auditors |
| **Trust registration number** | IT2340/99 |
| **Tax reference number** | 0194/116/14/1 |

# Index

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

# Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards 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 board of 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 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.

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**Trustee**

# Independent Auditors' Report

***To the board of trustees of AIDS Mission Outreach Trust***

***Report on the Financial Statements***

We have audited the financial statements of AIDS Mission Outreach Trust, which comprise the statement of financial position as at 29 February , 2016 , and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information .

***Trustees' responsibilities for the financial statements***

The trust's trustees are responsible for the preparation and the fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement , including the assessment of risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstance', but not for the purpose of expressing an opinion on 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 financial statements.

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

***Basis for Qualified Opinion***

As common with similar organisations, it is not feasible for the trust to institute controls over cash collections and donations prior to the initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded

## Independent Auditors' Report

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the trust as at February 29, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

[redacted]

SizweNtsalubaGobodo Inc
BJ Wessels
Provincial Leader
Registered Auditor

16 May 2016

82 Kellner Street
Westdene
Bloemfontein, Free State

# Trustees' Report

The trustees have pleasure in submitting their report on the financial statements of AIDS Mission Outreach Trust for the year ended 29 February 2016.

### 1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Main business and operations

The trust is engaged in non-profit activities in order to relieve the plight of children from the Free State Province infected and affected by AIDS and operates principally in South Africa. The operating results and the state affairs of the trust are fully set out in the attached financial statements and do not in our opinion require any further comment.

| **Grants** | **Expenditure incurred during the period** | **Balance at the end of the period** |
|---|---|---|
| 2016 | | |
| Kentucky Fried Chicken | 1 084 662 | 823 919 |
| 2015 | | |
| Kentucky Fried Chicken | 942 630 | 204 708 |
| NLDTF 2011 | 377 328 | - |
| NLDTF 2012 | 207 500 | |

### 2. Beneficiaries

The beneficiaries of the trust during the accounting year and up to the date of this report are as follows:

**Name**
Any child of the Free State Province infected or affected by AIDS

### 3. Trustees

The trustees in office at the date of this report are as follows:

| **Trustees** | **Changes** |
|---|---|
| Mr D L Bailey | |
| Mrs B Botha | |
| Mrs S Chesiwe | |
| Mr KHK Khoza | |
| Mr S R Khumalo | |
| Mrs M Miles | |
| Mr N Pillay | |
| Mrs A M Snyman | |
| Dr C M Walsh | |
| Dr I B Westmore | |
| Mr B Yeowart (Honorary) | |

### 4. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements..

# Trustees' Report

### 5. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern.This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contigent obligations and committments will occur in the ordinary course of the business.

### 6. Auditors

SizweNtsalubaGobodo continued in office as auditors for the Trust for 2016.

They will continue in office for the 2017 financial year.

### 7. Current and future monetary requirements and how they are met

Our monetory requirements can be roughly divided into two catergories, minimum requirements to maintain current operations and also requirements to improve current operations to allow for expansion of our services in the foreseeable future.

The monetary assistance we are currently receiving can also be roughly divided into two catergories, being unconditional grants/ donations and conditional grants/ donations. If we look at the current year the total income from grants/donations were R4.1m of which which R1.9m were conditional grants . Of the remaining unconditional R3.1m received ,R2.1m was received from 14 donors each donating between R20K and R300K . That leaves only R1.m received from all other donors and operations, highlighting our dependency on key donors.

To put the obove figures into perspective, our yearly operational requirements are as follow:

| **Yearly Operational expenditure** | |
|---|---|
| Administration | 296 602 |
| Project expenditure @ Lebone Village @current levels | 3 863 226 |
| Salaries | 1 195 095 |
| Travel Expenses | 333 968 |
| | **5 688 891** |

The current KFC conditional grant finance average R1.8m of the yearly operational expenditure . For all intent and purposes this leaves R4m of the day to day expenses to be funded by unconditional grants. The other challenge we are experiencing is the fact that we cannot rely on these conditional grants from year to year.

We are also experiencing pressure from communities where we are reaching out in the sense that, once we have provided relief in these areas, that the relief creates a need above and beyond the current operational expenditure as detailed above. For this purpose our current year expenses of R5.8m (2015:R4.7m) almost automatically creates our next year minimal operational expenditure,

The obvious issue still remaining is the fact that, even with our efforts, the need for help and relief is still huge. The average cost per year caring for one of the children in need amounts to R32 292, this excludes the need for expansion to accomodate the extra children at Lebone Village. In our case the need for additional funding, although illustrated by our current financial situation, is mostly highlighted by the need for relief stiill out there and how we are going to adress it. With our current infrastructure and support system we have grown as much as we can but still feel the need to reach out to more children in despair. However in order to achieve this we need all the generousity we can get.

# Statement of Financial Position as at 29 February 2016

| Figures in Rand | Note(s) | 2016 | 2015 |
|---|---|---|---|
| **Assets** | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 3 253 613 | 3 065 596 |
| Current Assets | | | |
| Inventories | 4 | 29 619 | 19 680 |
| Loans to beneficiaries | 3 | 6 092 | 12 574 |
| Trade and other receivables | 5 | 90 893 | 37 416 |
| Cash and cash equivalents | 6 | 1 169 367 | 886 100 |
| | | **1 295 971** | **955 770** |
| **Total Assets** | | **4 549 584** | **4 021 366** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Accumulated surplus | | 3 690 249 | 3 761 312 |
| **Liabilities** | | | |
| Current Liabilities | | | |
| Loans from beneficiaries | 3 | 1 050 | 22 876 |
| Trade and other payables | 8 | 34 366 | 33 100 |
| Deferred income | 7 | 823 919 | 204 078 |
| | | **859 335** | **260 054** |
| **Total Equity and Liabilities** | | **4 549 584** | **4 021 366** |

## Statement of Comprehensive Income

| Figures in Rand | Note(s) | 2016 | 2015 |
|---|---|---|---|
| Revenue | 9 | 5 690 468 | 5 121 401 |
| Other income | 10 | 50 215 | 23 254 |
| Operating expenses | | (5 811 746) | (4 700 518) |
| **Operating (deficit) surplus** | 11 | **(71 063)** | **444 137** |
| **(Deficit) surplus for the year** | | **(71 063)** | **444 137** |
| Other comprehensive income | | - | - |
| **Total comprehensive (loss) income for the year** | | **(71 063)** | **444 137** |

## Statement of Changes in Equity

| Figures in Rand | Accumulated surplus | Total equity |
|---|---|---|
| **Balance at 01 March 2014** | **3 317 175** | **3 317 175** |
| Surplus for the year | 444 137 | 444 137 |
| Other comprehensive income | - | - |
| **Total comprehensive income for the year** | **444 137** | **444 137** |
| **Balance at 01 March 2015** | **3 761 312** | **3 761 312** |
| Deficit for the year | (71 063) | (71 063) |
| Other comprehensive income | - | - |
| **Total comprehensive Deficit for the year** | **(71 063)** | **(71 063)** |
| **Balance at 29 February 2016** | **3 690 249** | **3 690 249** |

Note(s)

## Statement of Cash Flows

| Figures in Rand | Note(s) | 2016 | 2015 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 12 | 609 483 | (139 926) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 2 | (310 872) | (110 702) |
| **Cash flows from financing activities** | | | |
| Repayment of beneficiary loan | | (15 344) | (33 243) |
| **Net cash from financing activities** | | **(15 344)** | **(33 243)** |
| **Total cash movement for the year** | | **283 267** | **(283 871)** |
| Cash at the beginning of the year | | 886 100 | 1 169 971 |
| **Total cash at end of the year** | 6 | **1 169 367** | **886 100** |

# Accounting Policies

### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards. The 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

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the trust; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

| **Item** | **Average useful life** |
|---|---|
| Land | Indefinitely |
| Buildings | 20 Years |
| Plant and machinery | 10 Years |
| Furniture and fixtures | 10 Years |
| Motor vehicles | 10 Years |
| IT equipment | 3 Years |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

# Accounting Policies

### 1.2 Financial instruments

**Initial recognition and measurement**

Financial instruments are recognised initially when the trust becomes a party to the contractual provisions of the instrument

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

**Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

**Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.3 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

## Accounting Policies

### 1.3 Inventories (continued)

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.4 Impairment of assets

The trust assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.5 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### 1.6 Conditional grants

Grants are recognised when there is reasonable assurance that:

- the trust will comply with the conditions attaching to them; and
- the grants received are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

# Accounting Policies

### 1.6 Conditional grants (continued)

A grant that becomes receivable as compensation for expenses or deficits already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are KFC Add Hope.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

### 1.7 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the trust has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the trust retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the trust; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and  in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

### 1.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2. Property, plant and equipment

| | 2016 | | | 2015 | | |
|---|---|---|---|---|---|---|
| | **Cost / Valuation** | **Accumulated depreciation** | **Carrying value** | **Cost / Valuation** | **Accumulated depreciation** | **Carrying value** |
| Land | 718 614 | - | 718 614 | 718 614 | - | 718 614 |
| Buildings | 1 527 954 | (21 059) | 1 506 895 | 1 527 954 | (21 059) | 1 506 895 |
| Plant and machinery | 180 058 | (99 105) | 80 953 | 129 186 | (85 189) | 43 997 |
| Furniture and fixtures | 439 036 | (296 769) | 142 267 | 439 037 | (275 666) | 163 371 |
| Motor vehicles | 1 024 191 | (265 050) | 759 141 | 764 191 | (210 307) | 553 884 |
| IT equipment | 198 513 | (152 770) | 45 743 | 198 513 | (119 678) | 78 835 |
| **Total** | **4 088 366** | **(834 753)** | **3 253 613** | **3 777 495** | **(711 899)** | **3 065 596** |

**Reconciliation of property, plant and equipment - 2016**

| | **Opening balance** | **Additions** | **Depreciation** | **Total** |
|---|---|---|---|---|
| Land | 718 614 | - | - | 718 614 |
| Buildings | 1 506 895 | - | - | 1 506 895 |
| Plant and machinery | 43 997 | 50 872 | (13 916) | 80 953 |
| Furniture and fixtures | 163 371 | - | (21 104) | 142 267 |
| Motor vehicles | 553 884 | 260 000 | (54 743) | 759 141 |
| IT equipment | 78 835 | - | (33 092) | 45 743 |
| | **3 065 596** | **310 872** | **(122 855)** | **3 253 613** |

**Reconciliation of property, plant and equipment - 2015**

| | **Opening balance** | **Additions** | **Depreciation** | **Total** |
|---|---|---|---|---|
| Land | 718 614 | - | - | 718 614 |
| Buildings | 1 506 895 | - | - | 1 506 895 |
| Plant and machinery | 26 000 | 29 186 | (11 189) | 43 997 |
| Furniture and fixtures | 174 916 | 9 416 | (20 961) | 163 371 |
| Motor vehicles | 604 293 | - | (50 409) | 553 884 |
| IT equipment | 27 205 | 72 100 | (20 470) | 78 835 |
| | **3 057 923** | **110 702** | **(103 029)** | **3 065 596** |

# Notes to the Financial Statements

| Figures in Rand | 2016 | 2015 |
|---|---|---|

### 3. Loans to (from) beneficiaries

| | | |
|---|---|---|
| Staff Loans | 500 | - |
| The loan bears interest at 0% p.a. is unsecured and repayable in monthly instalments of R250 | | |
| FO Ngcobo - Building loan | 4 092 | 10 092 |
| The loan bears interest at 0% p.a. is unsecured and repayable in monthly instalments of R250 | | |
| FO Ngcobo - Short term | 1 000 | 1 000 |
| The loan bears interest at 0% p.a. is unsecured and repayable in monthly instalments of R250 | | |
| AM Holder - Building & other loan | 500 | 1 482 |
| The loan bears interest at 0% p.a. is unsecured and repayable in monthly instalments of R500 | | |
| AM Snyman | (1 050) | (22 876) |
| The loan bears interest at 0% p.a. is unsecured and no repayment arrangements have been negotiated | | |
| | **5 042** | **(10 302)** |

| | | |
|---|---|---|
| Current assets | 6 092 | 12 574 |
| Current liabilities | (1 050) | (22 876) |
| | **5 042** | **(10 302)** |

### 4. Inventories

| | | |
|---|---|---|
| Agricultural produce | 29 619 | 19 680 |

### 5. Trade and other receivables

| | | |
|---|---|---|
| Trade receivables | 23 799 | 19 468 |
| Deposits | 3 248 | 3 248 |
| VAT | 63 846 | 14 700 |
| | **90 893** | **37 416** |

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 5 560 | 7 060 |
| Bank balances | 390 621 | 810 387 |
| Short-term deposits | 773 186 | 68 653 |
| | **1 169 367** | **886 100** |

### 7. Deferred income

| | | |
|---|---|---|
| Non-current liabilities | - | - |
| Current liabilities | 823 919 | 204 078 |
| | **823 919** | **204 078** |

# Notes to the Financial Statements

| Figures in Rand | 2016 | 2015 |
|---|---|---|

## 8. Trade and other payables

| | | |
|---|---|---|
| Trade payables | 4 780 | 4 921 |
| Accrued leave pay | 29 586 | 28 179 |
| | **34 366** | **33 100** |

## 9. Revenue

| | | |
|---|---|---|
| Sales from skills development | 1 448 463 | 673 793 |
| KFC Add Hope Project | 1 234 473 | 2 287 748 |
| Donations - Other | 2 764 993 | 1 911 950 |
| Donations - Share the light | 242 539 | 247 910 |
| | **5 690 468** | **5 121 401** |

## 10. Other income

| | | |
|---|---|---|
| Interest Received | 50 215 | 23 254 |

## 11. Operating (deficit) surplus

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

| | | |
|---|---|---|
| Depreciation on property, plant and equipment | 122 855 | 103 091 |
| Employee costs | 1 195 095 | 911 375 |

## 12. Cash generated from operations

| | | |
|---|---|---|
| Deficit before taxation | (71 063) | 444 137 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 122 855 | 103 091 |
| **Changes in working capital:** | | |
| Inventories | (9 939) | - |
| Trade and other receivables | (53 477) | (6 575) |
| Trade and other payables | 1 266 | (53 645) |
| Deferred income | 619 841 | (626 934) |
| | **609 483** | **(139 926)** |

# AIDS Mission Outreach Trust

(Registration number IT2340/99)
Trading as AIDS Mission Outreach Trust
Financial Statements for the year ended 29 February 2016

## Detailed Income Statement

| Figures in Rand | Note(s) | 2016 | 2015 |
|---|---|---|---|
| **Revenue** | | | |
| Sales from skills development | | 1 448 463 | 673 793 |
| KFC Add Hope Project | | 1 234 473 | 2 287 748 |
| Donation - Other | | 2 764 993 | 1 911 950 |
| Donations - Share the light | | 242 539 | 247 910 |
| | 9 | **5 690 468** | **5 121 401** |
| **Other income** | | | |
| Interest received | | 50 215 | 23 254 |
| **Expenses (Refer to page 20)** | | **(5 811 746)** | **(4 700 518)** |
| **(Deficit) surplus for the year** | | **(71 063)** | **444 137** |

# Detailed Income Statement

| Figures in Rand | Note(s) | 2016 | 2015 |
|---|---|---|---|
| **Operating expenses** | | | |
| Accounting fees | | (5 998) | - |
| Advertising | | (4 955) | (11 842) |
| Bank charges | | (24 613) | (31 105) |
| Cleaning | | (53 449) | (39 796) |
| Computer expenses | | (8 966) | (35 997) |
| Consultants' fees | | (107 300) | (90 000) |
| Consumables | | (1 000) | (1 247) |
| Depreciation, amortisation and impairments | | (122 855) | (103 091) |
| Donations | | (1 000) | (7 163) |
| Employee costs | | (1 195 095) | (911 375) |
| Entertainment | | 2 071 | (12 501) |
| Agricultural production | | (88 227) | (41 322) |
| Rates and taxes | | (9 564) | (6 012) |
| Disposal nappies | | (154) | - |
| Education | | (32 768) | (47 520) |
| Food formula and toiletries | | (2 372 688) | (1 722 550) |
| Funeral costs | | (500) | (5 000) |
| Replacements - crockery and cutlery | | (4 791) | (16 858) |
| Skills development | | (355 356) | (298 191) |
| Poverty relief | | (71 000) | (4 900) |
| Clothing | | (24 854) | (23 407) |
| Gifts | | (524) | (613) |
| Insurance | | (18 268) | (15 700) |
| Magazines, books and periodicals | | (525) | - |
| Medical expenses | | (188 838) | (181 056) |
| Motor vehicle expenses | | (86 065) | (67 272) |
| Electricity and water | | (137 483) | (136 779) |
| Outings and birthdays | | (19 399) | (16 696) |
| Printing and stationery | | (21 787) | (27 543) |
| Protective clothing | | (3 273) | (42 611) |
| Repairs and maintenance | | (126 494) | (172 879) |
| Royalties and license fees | | (4 167) | (7 618) |
| Security | | (101 947) | (34 147) |
| Staff welfare | | (211 174) | - |
| Telephone and fax | | (62 303) | (41 544) |
| Training | | (12 469) | (64 060) |
| Travel - local | | (72 545) | (58 371) |
| Transport for volunteers | | (261 423) | (423 752) |
| | | **(5 811 746)** | **(4 700 518)** |

## Grant income and expenditure statement

| Figures in Rand | Note(s) | 2016 | 2015 |
| --- | --- | --- | --- |