

**DATE: 15 October 2003**

**WORD/AFS2003/NKOSI'S HAVEN2003**

**CHANGES: Ramona**

**NKOSI'S HAVEN**  
**(NON-PROFIT ORGANISATION)**  
**Registration number: 008-995 NPO**  
**(Registered: 29 May 2000)**

**FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

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Approval of the annual financial statements

The annual financial statements set out on pages 3 to 14 were approved by the Management Committee on ..... and are signed on its behalf by:

.....  
GAIL JOHNSON

.....  
DOLORES FREDERICKS

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MANAGEMENT COMMITTEE OF NKOSI'S HAVEN**

We have audited the annual financial statements of Nkosi's Haven set out on pages 3 to 14 for the year ended 31 March 2003. These financial statements are the responsibility of the directors of the organisation. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### **Qualification**

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

### **Qualified audit opinion**

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the organisation at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

**PricewaterhouseCoopers Inc.**  
**Chartered Accountants (SA)**  
**Registered Accountants and Auditors**  
**Johannesburg**

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**MANAGEMENT COMMITTEE REPORT  
for the year ended 31 March 2003**

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The management committee present their annual report, which forms part of the audited financial statements of the organisation for the year ended 31 March 2003.

**General review**

The organisation was registered as a non-profit organisation under the Non-Profit Organisations Act, 1997 with effect from 29 May 2000.

**Nature of business**

The organisation operates numerous projects which can be summarised as follows:

- it operates a Haven for AIDS and HIV infected mothers and their children, and provides fostering to orphaned children.
- it provides counselling and support systems for resident women and children
- it accommodates and/or pays school/crèche fees for orphans and children needing assistance
- it arranges and assists in funerals of people in need
- AIDS education talks are given at schools on request

**Financial results**

Full details of the financial results are set out on pages 5 to 14 and require no further comment.

No major event has occurred between the accounting date and the date of this report.

**Management Committee**

	<b>Date appointed</b>	<b>Date resigned</b>
Gary Roscoe	29 May 2000	
Laurette Scheffer	29 May 2000	06 May 2002
Gail Johnson	29 May 2000	
Dolores Fredericks	06 May 2002	

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**MEMBERS REPORT  
for the year ended 31 March 2003**

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**Secretary**

The secretary for the year under review was Dolores Fredericks whose postal address is as follows:

No 107 6<sup>th</sup> Avenue  
Roodepoort North  
1724

**Accounting officer**

PricewaterhouseCoopers Inc. were appointed accounting officer in accordance with section 17 (3) of the Non-profit Organisations Act No. 71 of 1997.

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**INCOME STATEMENT**  
**for the year ended 31 March 2003**

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	Notes	<b>2003</b> <b>R</b>	2002 <b>R</b>
Revenue	2	<b>2 203 901</b>	1 396 555
Other income		<b>10 227</b>	5 000
Administrative & other operating expenses		<b>(2 432 595)</b>	(1 160 134)
(Deficit)/surplus		<b>(218 467)</b>	241 421
Net interest		<b>687</b>	1 952
(Deficit)/surplus for the year		<b>(217 780)</b>	243 373

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**BALANCE SHEET**  
**at 31 March 2003**

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	Notes	2003 R	2002 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	4	<b>553 248</b>	556 611
		<hr/>	<hr/>
		<b>553 248</b>	556 611
		<hr/>	<hr/>
<b>Current assets</b>			
Accounts receivable	5	<b>18 238</b>	3 750
Cash and cash equivalents	6	<b>244 470</b>	425 015
		<hr/>	<hr/>
		<b>262 708</b>	428 765
		<hr/>	<hr/>
<b>Total assets</b>		<b>815 956</b>	985 376
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>			
Accumulated funds		<b>743 006</b>	960 786
		<hr/>	<hr/>
		<b>743 006</b>	960 786
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accounts payable	7	<b>72 950</b>	24 590
		<hr/>	<hr/>
		<b>72 950</b>	24 590
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>815 956</b>	985 376
		<hr/> <hr/>	<hr/> <hr/>

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2003**

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	<b>Accumulated funds R</b>
Balance at 1 April 2001	717 413
Surplus for the year	243 373
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Balance at 31 March 2002	960 786
	<hr/>
(Deficit)/surplus for the year	(217 780)
	<hr/>
Balance at 31 March 2003	743 006
	<hr/>

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**CASH FLOW STATEMENT  
for the year ended 31 March 2003**

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	Notes	2003 R	2002 R
<b>Cash flows from operating activities</b>			
Cash received from donors		2 199 640	1 403 105
Cash paid to suppliers and employees		(2 346 445)	(1 240 867)
Cash (utilised)/generated from operations	8	(146 805)	162 238
Interest received		687	1 952
Net cash (outflow)/inflow from operating activities		(146 118)	164 190
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(34 427)	(249 309)
Net cash outflow from investing activities		(34 427)	(249 309)
Net increase/(decrease) in cash and cash equivalents		(180 545)	(85 119)
Cash and cash equivalents at beginning of the year		425 015	510 134
Cash and cash equivalents at end of the year	6	244 470	425 015

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

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**1 Accounting policies**

The annual financial statements are prepared in accordance with the historical cost convention and incorporate the following principal accounting policies which are consistent with those adopted for the previous accounting period, except as otherwise stated.

**1.1 Fixed assets and depreciation**

Fixed assets are stated at cost and are depreciated on the straight line method at rates which will reduce book values over the useful lives of the assets to estimated residual values as follows:

Medical equipment	20% p.a.
Furniture and equipment	15% p.a.
Motor vehicles	20% p.a.
Computers	25% p.a.

Land and buildings are not depreciated as it is deemed to have an indefinite life.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

**1.2 Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise of bank balances and cash, including bank overdrafts.

**1.3 Trade receivables**

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of outstanding amounts at year-end. Bad debts are written off in the year in which they are identified.

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

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**1.4 Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Employee entitlements to annual leave and annual bonuses are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and annual bonuses as a result of services rendered by employees at balance sheet date.

**1.5 Financial instruments**

Financial instruments carried on the balance sheet included cash and cash equivalents, accounts receivable and accounts payable. The particular recognition methods adopted are disclosed elsewhere in the financial statements.

**1.6 Revenue recognition**

Donations are recognised when deposited in the bank account.

Other revenue earned by the company is recognised on the following basis:

- interest income: as it accrues, unless collectability is in doubt

**2 Revenue**

Revenue comprises donations received by the organisation.

**3 Expenses**

Expenses are recognised on an accrual basis.

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

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	Medical equipment R	Computers R	Furniture & equipment R	Motor vehicles R	Land & buildings R	Total R
<b>4 Fixed assets</b>						
<b>For the year ended 31 March 2003</b>						
Cost:						
Beginning of the year	969	21 760	93 590	75 200	414 210	605 730
Purchases	-	4 990	4 430	25 000	-	34 420
End of year	969	26 760	98 020	100 200	414 210	640 160
<b>Depreciation:</b>						
Beginning of the year	291	5 230	23 540	20 050	-	49 120
Charge for the year	194	6 290	14 590	16 700	-	37 790
End of year	485	11 530	38 130	36 760	-	86 910
Net book value	484	15 230	59 880	63 440	414 210	553 240

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

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	Medical equipment R	Computers R	Furniture & equipment R	Motor vehicles R	Land & buildings R	Total R
<b>4 Fixed assets (continued)</b>						
<b>For the year ended 31 March 2002</b>						
Cost:						
Beginning of the year	969	9 950	72 090	75 200	187 880	346 100
Donations	-	-	10 320	-	-	10 320
Purchases	-	11 810	11 160	-	226 320	249 300
End of year	969	21 760	93 570	75 200	414 210	605 730
<b>Depreciation:</b>						
Beginning of the year	97	1 710	10 500	5 010	-	17 330
Charge for the year	194	3 520	13 030	15 040	-	31 790
End of year	291	5 230	23 540	20 050	-	49 120
Net book value	678	16 530	70 040	55 140	414 210	556 610

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

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	<b>2003</b>	2002
	<b>R</b>	R
<b>5</b>		
<b>Accounts receivable</b>		
Receiver of Revenue	<b>8 888</b>	-
Staff loans	<b>3 600</b>	-
Prepaid expenses	<b>5 750</b>	3 750
	<u><b>18 238</b></u>	<u>3 750</u>
	<u><b>18 238</b></u>	<u>3 750</u>
<b>6</b>		
<b>Cash and cash equivalents</b>		
Bank balances and cash	<b>244 470</b>	425 015
	<u><b>244 470</b></u>	<u>425 015</u>
	<u><b>244 470</b></u>	<u>425 015</u>
<b>7</b>		
<b>Accounts payable</b>		
Trade payables	<b>70 450</b>	10 890
Accounting officer fees	<b>2 500</b>	13 700
	<u><b>72 950</b></u>	<u>24 590</u>
	<u><b>72 950</b></u>	<u>24 590</u>

**NKOSI'S HAVEN**  
**(Non-Profit Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2003**

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	<b>2003</b>	2002
	<b>R</b>	R
<b>8 Cash flow information</b>		
<b>8.1 Reconciliation of surplus to cash generated from operations</b>		
(Deficit)/surplus	<b>(217 780)</b>	243 373
Adjustments for:		
Depreciation	<b>37 790</b>	31 793
Interest income	<b>(687)</b>	(1 952)
Donated assets	<b>-</b>	(10 327)
	<hr/>	<hr/>
(Deficit)/surplus before working capital changes	<b>(180 677)</b>	262 887
Working capital changes:		
(Increase)/decrease in accounts receivable	<b>(14 488)</b>	1 550
Increase/(decrease) in accounts payable	<b>48 360</b>	(102 199)
	<hr/>	<hr/>
Cash generated from operations	<b>(146 805)</b>	162 238
	<hr/> <hr/>	<hr/> <hr/>

**9 Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, accounts receivable and accounts payable. At 31 March 2003, the carrying amounts of cash, accounts receivable and accounts payable approximated their fair values.

*Risk management*

*Credit risk*

Potential concentrations of credit risk consist mainly of short-term cash. The company's cash and cash equivalents are placed with high credit quality financial institutions.

**NKOSI'S HAVEN  
(Non-Profit Organisation)**

**DETAILED INCOME STATEMENT  
for the year ended 31 March 2003**

	Nkosi's Haven	Education	Sebokeng	4 Life Farm	2003 Total	Nkosi's Haven	2002 Total
Donations	1 104 081	101 561	60 844	130 069		1 272 521	1 396 555
Interest received	1 807	41		104		1 954	1 952
Sale of crafts						2 018	
Rent received				5 000			5 000
Less:	1 105 888	101 603	60 844	135 173		1 276 493	1 403 507
Groceries	913 138	95 049	62 348	75 898		559 080	1 146 434
Meat	88 490		15 385	7 696		65 522	111 571
Fruit and vegetables	48 458		4 328	1 991		31 743	54 776
Ambulance and nursing services	18 017		1 672	230		14 380	19 919
Medicine and hygiene	21 492					20 087	21 492
Child care & therapy	10 947					22 430	10 947
Clothing	20 409					7 780	20 409
Linen	525		1 000			2 492	1 525
Funeral expenses	3 555					4 088	3 555
Accounting officers fees	9 706						9 706
Less discount							27 400
PricewaterhouseCoopers							(13 700)
Accounting fees	4 600	275	1 675	750		3 500	7 300
Assessment rates	2 560					4 208	2 560
Commission	659						659
Bank charges	12 547						15 924
Creche fees		986	1 049	1 342		7 396	22 225
Computer expenses	10 766						16 226
Consulting fees	27 630	22 225		5 461		2 944	41 130
Depreciation	29 760			13 500		17 335	31 793
Doctors			1 096	937			618
Entertainment	2 262		618			936	2 262
Media coverage	7 382					10 356	7 382
Fines	800					300	800

**NKOSI'S HAVEN**  
(Non-Profit Organisation)

**DETAILED INCOME STATEMENT**  
for the year ended 31 March 2003

	<b>Nkosi's Haven</b>	<b>Education</b>	<b>Sebokeng</b>	<b>4 Life Farm</b>	<b>2003 Total</b>	<b>Nkosi's Haven</b>	<b>2002 Total</b>
Freight charges	294					818	294
Functions	500					45 161	500
Funeral expenses	300					6 465	300
Conferences	9 888					1 000	9 888
Hire of equipment	7 087		400			6 480	7 087
Holiday trips							400
Honararium	98 000					72 000	98 000
Insurance	1 368						1 368
Lights and water	40 203			2 441		31 040	55 744
Outings and pocket money	1 576	13 100				5 833	5 086
Petrol	16 314	4 230		1 661		4 888	18 004
Pet food				420			420
Motor vehicle expenses	33 985			2 721		8 695	36 706
Newspaper articles	307						307
Repairs and maintenance	33 501		2 861	6 104		4 767	42 466
Repairs and equipment	223			7 079		1 458	7 301
School fees	125		9 119		71 563	1 275	80 807
Stationery and printing	5 402		720	48		1 724	6 170
Salaries	133 700			16 250		39 050	149 950
Professional fees	29 754					4 538	29 754
Promotions	1 834					1 834	1 834
PAYE	39 460			480		35 000	39 940
Rent	250						250
Security	228						228
UIF	2 141						2 141
Subscriptions	1 050						1 050
Storage	1 880						1 880
Telephone and communications	70 132			4 658		47 640	74 790
Transport	31 831		5 095			7 718	36 926
Training courses	3 656						3 656
Travel expenses	9 600			2 100		15 107	9 600
Wages	3 750					2 926	5 850
Renovations	14 238						14 238
<b>Net surplus/(deficit)</b>	<b>192 750</b>	<b>6 553</b>	<b>(1 505)</b>	<b>59 275</b>		<b>717 413</b>	<b>243 373</b>