



AIDS MINISTRY

Mosamaria Aids Ministry
(Registration number 070-155-NPO)
Financial statements
for the year ended 31 December 2017

Mosamaria Aids Ministry

(Registration number 070-155-NPO)

Financial Statements for the year ended 31 December 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Testing, care and support of people living with HIV
Postal address	P.O. Box 411 Bloemfontein 9300
Auditor's	Newtons Chartered Accountants (S.A.) Registered Auditors
Company registration number	070-155-NPO
Tax reference number	9117383183
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: Newtons Lucha Greyling

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

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The financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the members on 07 March 2018 and were signed on its behalf by:

Mosamaria Chairman

Mosamaria Treasurer

Mosamaria Coordinator

Independent Auditor's Report

To the members of Mosamaria Aids Ministry

Opinion

We have audited the Financial Statements of Mosamaria Aids Ministry set out on pages 5 to 12, which comprise the Statement of Financial Position as at 31 December 2017, and the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Mosamaria Aids Ministry as at 31 December 2017, and its financial performance for the year then ended in accordance with the basis of accounting as set out in Note 1 of these financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the members for the Financial Statements

The members are responsible for the preparation and fair presentation of the Financial Statements in accordance with the basis of accounting as set out in Note 1 of the financial statements, and for such internal control as the members determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.

Independent Auditor's Report

- Conclude on the appropriateness of the members use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Newtons
CJ Peterson
Registered Auditors

07 March 2018
Bloemfontein

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Financial Statements for the year ended 31 December 2017

Statement of Financial Position as at 31 December 2017

Figures in Rand	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	264,645	370,835
Current Assets			
Trade and other receivables	4	263,029	353,246
Cash and cash equivalents	5	587,994	154,851
		851,023	508,097
Total Assets		1,115,668	878,932
Equity and Liabilities			
Equity			
Reserves		241,831	313,367
Retained income		318,894	(37,265)
		560,725	276,102
Liabilities			
Current Liabilities			
Other financial liabilities	3	10,342	10,342
Trade and other payables	6	544,601	592,488
		554,943	602,830
Total Equity and Liabilities		1,115,668	878,932

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Financial Statements for the year ended 31 December 2017

Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
Revenue			
Charge for services		4,162	10,184
Funding - Blackburn and local		253,499	301,373
Funding - Donors		9,635,520	8,304,953
Seed and premix sold		50	452
		9,893,231	8,616,962
Cost of sales			
Opening stock		-	(16,500)
Purchases		(30)	15,624
		(30)	(876)
Gross profit		9,893,201	8,616,086
Other income			
Bad debts recovered		3,000	-
Gains on disposal of assets		100,000	-
Insurance claim received		9,101	28,154
Interest received		24,007	29,457
		136,108	57,611
Expenses (Refer to page 7)		(9,759,582)	(8,383,595)
Operating profit		269,727	290,102
Finance costs		(4)	-
Profit for the year		269,723	290,102
Other comprehensive income:			
Transfer (to)/from motor vehicle reserve		(86,436)	(103,831)
Total comprehensive income for the year		183,287	186,271

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Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
Operating expenses			
Accounting fees		(3,208)	-
Advertising		-	(43,265)
Auditors remuneration		(51,453)	(51,832)
Bank charges		(37,264)	(33,767)
Cleaning		(24,615)	(2,583)
Clothing		(93,124)	(6,240)
Computer expenses		(205,778)	(146,058)
Depreciation, amortisation and impairments		(106,189)	(145,607)
Employee costs		(6,905,383)	(5,819,394)
Employee costs: Administration		(905,318)	(651,447)
Equipment and supplies		(101,111)	(3,760)
Facilitation workshop		(94,692)	(120,451)
Food parcels		(21,076)	(48,727)
Insurance		(136,296)	(106,601)
Lease rentals on operating lease		(224,004)	(186,487)
Legal expenses		(6,330)	-
Medical supplies		(367)	(20,869)
Medical waste disposal		(2,851)	(280)
Monitoring and evaluation		-	(60,000)
Motor vehicle expenses		(21,822)	(38,401)
Municipal expenses		(15,349)	(55,576)
Ovens and debtors for ovens written off		-	(14,900)
Parking		-	(8,700)
Penalties and interest		-	(26,066)
Petrol and oil		(75,866)	(114,906)
Printing and stationery		(197,026)	(158,665)
Repairs and maintenance		(6,533)	(9,067)
Security		-	(21,700)
Staff development		(89,272)	(106,597)
Sundry expenses		(14,983)	(29,325)
Telephone and fax		(182,874)	(201,035)
Transport		(236,798)	(111,289)
Workman compensation fund		-	(40,000)
		(9,759,582)	(8,383,595)

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Statement of Changes in Equity

Figures in Rand	Club 100 reserve account	Motor vehicle reserve	Total reserves	Retained income	Total equity
Balance at 01 January 2016	-	209,536	209,536	(223,536)	(14,000)
Profit for the year	-	-	-	290,102	290,102
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	290,102	290,102
Transfer (to)/from motor vehicle reserve	-	103,831	103,831	(103,831)	-
Total contributions by and distributions to owners of company recognised directly in equity	-	103,831	103,831	(103,831)	-
Balance at 01 January 2017	-	313,367	313,367	(37,265)	276,102
Profit for the year	-	-	-	269,723	269,723
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	269,723	269,723
Transfer (to)/from motor vehicle reserve	-	(86,436)	(86,436)	86,436	-
Club 100 funds	14,900	-	14,900	-	14,900
Total contributions by and distributions to owners of company recognised directly in equity	14,900	(86,436)	(71,536)	86,436	14,900
Balance at 31 December 2017	14,900	226,931	241,831	318,894	560,725

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Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from operations	7	309,139	227,329
Interest income		24,007	29,457
Finance costs		(4)	-
Net cash from operating activities		333,142	256,786
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(229,686)
Sale of property, plant and equipment	2	100,000	-
Net movement in other financial assets/(liabilities)		-	63,877
Net cash from investing activities		100,000	(165,809)
Total cash movement for the year		433,142	90,977
Cash at the beginning of the year		154,851	63,874
Total cash at end of the year	5	587,993	154,851

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Financial Statements for the year ended 31 December 2017

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the entity's accounting policies as set out below. The financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

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

Cost 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.

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 as follows:

Item	Average useful life
Books	5 years
Furniture and fixtures	4 years
Motor vehicles	5 years
IT equipment	2 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash on hand. These are initially and subsequently recorded at fair value.

1.3 Trade and other receivables

Trade and other receivables comprise of outstanding donor funds and other debtors. Trade receivables are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

1.4 Trade and other payables

Trade payables are recognised and carried at original invoice amount less repayments.

1.5 Revenue

Funds and donations received by the ministry are recognised on the following basis:

- Funds from donors are recognised on the accrual basis as per the approved budgets
- Cash donations are recognised when received

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Notes to the Financial Statements

Figures in Rand

2017

2016

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	97,643	(97,642)	1	97,643	(97,642)	1
Motor vehicles	860,517	(630,374)	230,143	1,023,872	(705,539)	318,333
IT equipment	103,891	(103,890)	1	103,891	(103,890)	1
Books	90,000	(55,500)	34,500	90,000	(37,500)	52,500
Total	1,152,051	(887,406)	264,645	1,315,406	(944,571)	370,835

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Total
Furniture and fixtures	1	-	1
Motor vehicles	318,333	(88,190)	230,143
IT equipment	1	-	1
Books	52,500	(18,000)	34,500
	370,835	(106,190)	264,645

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1	-	-	1
Motor vehicles	216,255	229,686	(127,608)	318,333
IT equipment	1	-	-	1
Books	70,500	-	(18,000)	52,500
	286,757	229,686	(145,608)	370,835

3. Other financial assets/(liabilities)

Diocesan Trust Board	(10,342)	(10,342)
The loan is unsecured, bears no interest and has no fixed terms of repayment. The loan is advanced to cover costs when expected and contracted funding from donors has been delayed.		

4. Trade and other receivables

Customer control account	-	508
Debtors - Department of Health	-	222,293
Debtors - HPCA	-	30,000
Debtors - RTC	107,135	63,140
Debtors - TBSAP	133,204	-
Deposits	11,000	-
Other receivable	1,626	1,626
VAT	10,064	35,679
	263,029	353,246

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Notes to the Financial Statements

Figures in Rand	2017	2016
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	587,121	154,538
Cash on hand	873	313
	587,994	154,851
6. Trade and other payables		
Trade payables	194,108	213,000
Income received in advance	350,493	379,488
	544,601	592,488
7. Cash generated from operations		
Profit before taxation	269,723	290,102
Adjustments for:		
Depreciation and amortisation	106,189	145,607
Profit on sale of assets	(100,000)	-
Interest received	(24,007)	(29,457)
Finance costs	4	-
Club 100	14,900	-
Changes in working capital:		
Trade and other receivables	90,217	105,994
Trade and other payables	(47,887)	(284,917)
	309,139	227,329

8. Contingencies

The probability exist that severance pay may be paid to the former employees of New Start not employed by Mosamaria Aids Ministry any longer. This can lead to the possible outflow of resources of R22 312.92. The existence will only be confirmed by the occurrence of uncertain future events not wholly within the control of the entity.