

**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA**

**(ARASA) TRUST**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2009**



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

CONTENTS	Page
Administration	1
Statement by the Trustees	1
Report of the independent auditors	2 - 3
Balance sheet	4
Income statement	5 - 15
Cash flow statement	15
Notes to the annual financial statements	16 - 20

**ADMINISTRATION**

**Donors - JFA:** Department for International Development (DfID)  
Irish Aid  
Swedish International Development Cooperation Agency (SIDA)


**Donors – other:** Ford Foundation  
HIVOS  
Open Society Initiative for Southern Africa (OSISA)  
Foundation Open Society Institute

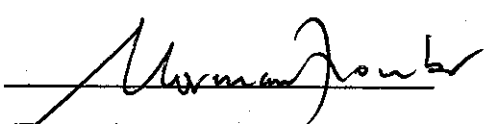
**Trustees** Christine Stegling  
Nonkosi Khumalo  
Kaumbu Mwondela  
Lois Chingandu  
Norman Tjombe  
Emma Tuaepepa

**Auditors:** Stier Vente Associates

**STATEMENT BY THE TRUSTEES**

The annual financial statements for the year ended 31 December 2009 set out on pages 4 to 20 have been approved by The Trustees and are signed on their behalf by:

  
M CLAYTON  
(Director)

  
(Trustee)

WINDHOEK  
12 March 2010





**STIER VENTE ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**REPORT OF THE INDEPENDENT AUDITORS**

**To the Trustees of**

**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**

We have audited the annual financial statements of The Aids and Rights Alliance for Southern Africa (ARASA) Trust which comprise the balance sheet as at 31 December 2009, the income statement, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 20.

**Trustees' responsibility for the financial statements**

The Trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and the terms of reference – ARASA Audit instructions. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements and are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 about whether the annual financial statements are free of 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 auditors consider 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 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 of our audit opinion.

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**Opinion**

*In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Trust at 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with Statements of Generally Accepted Accounting Practice in Namibia Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and the terms of reference – ARASA Audit instructions.*

*Stier V. f. Associates*

**STIER VENDE ASSOCIATES  
REGISTERED ACCOUNTANTS AND AUDITORS  
CHARTERED ACCOUNTANTS (NAMIBIA)**

WINDHOEK  
12 March 2010



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	<u>2009</u>	<u>2008</u>
		N\$	N\$
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Advance to sub-projects	6	652 120	-
Trade and other receivables	4	113 643	94 920
Cash and cash equivalents		<u>3 141 155</u>	<u>934 338</u>
<b>TOTAL ASSETS</b>		<u><b>3 906 918</b></u>	<u><b>1 029 258</b></u>
<b><u>FUNDS AND LIABILITIES</u></b>			
<b>FUNDS AND RESERVES</b>			
Accumulated funds	3	<u>3 032 658</u>	<u>715 143</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	<u>874 260</u>	<u>314 115</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><b>3 906 918</b></u>	<u><b>1 029 258</b></u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 1 (continued)</b>				
<b>Programme management costs</b>				
Director 1/3	203 261	203 261	-	184 783
Programme Manager 1/3	183 428	182 756	672	49 079
Office Co-ordinator 1/3	97 668	93 390	4 278	121 497
Financial Manager 1/3	136 283	136 466	(183)	76 719
M & E Manager 1/3	86 144	97 837	(11 693)	-
Communications Officer	344 574	294 576	49 998	99 048
Researcher/Writer	-	-	-	-
Advocacy Co-ordinator	310 477	230 608	79 869	372 618
Administrative Assistant Windhoek 1/3	46 967	-	46 967	-
Assistant to Director 1/3	-	-	-	38 489
Office Assistant 1/3	30 511	29 224	1 287	24 175
Staff development costs	33 000	26 844	6 156	27 361
Administrative costs	246 386	278 199	(31 813)	293 153
To cover the cost of travel for the director and staff to support activities in the region and to attend internationally	300 000	102 213	197 787	341 732
Office furniture and equipment Johannesburg and Windhoek: furniture for additional staff	<u>30 000</u>	<u>28 665</u>	<u>1 335</u>	<u>83 644</u>
<b>Sub Total</b>	<u>2 048 699</u>	<u>1 704 039</u>	<u>344 660</u>	<u>1 712 295</u>
<b>OUTCOME # 2</b>				
<b>Training and Capacity Building Programme</b>				
2x basic TOT and 1 x Advanced TOT workshop 28 pax	1 200 000	1 166 332	33 668	600 000
Specialised training workshops 2 per year	860 000	809 752	50 248	858 931
Placement of 5 interns with partner organisation	<u>136 000</u>	<u>49 540</u>	<u>86 460</u>	<u>31 722</u>
<b>Sub Total</b>	<u>2 196 000</u>	<u>2 025 624</u>	<u>170 376</u>	<u>1 490 653</u>
Needs Assessment meetings	<u>22 000</u>	-	<u>22 000</u>	-
<b>Sub Total</b>	<u>22 000</u>	-	<u>22 000</u>	-



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 2 (continued)</b>				
<b>Training and Capacity Building Programme (continued)</b>				
Office furniture and equipment HIV and Human Rights Officer # Democratic Republic of Congo	-	-	-	21 443
Office furniture and equipment HIV and Human Rights Officer # Swaziland	20 000	35 811	(15 811)	-
Country #1: Contribution to utilities, communications, fuel, stationery, office supplies, equipment maintenance Republic of Congo	262 800	234 902	27 898	173 881
Country #1: Contribution to utilities, communications, fuel, stationery, office supplies, equipment maintenance Swaziland	262 797	266 505	(3 708)	-
In country HIV and Human Rights Officer #1 Democratic Republic of Congo	219 780	222 592	(2 812)	142 790
In country HIV and Human Rights Officer #2 Swaziland	<u>199 800</u>	<u>195 612</u>	<u>4 188</u>	-
<b>Sub Total</b>	<u>965 177</u>	<u>955 422</u>	<u>9 755</u>	<u>338 114</u>
Training and awareness raising workshops 40 pax	1 425 617	1 323 107	102 510	1 909 469
In country partners meetings	150 000	164 596	(14 596)	171 025
General awareness raising activities and material development	<u>102 328</u>	<u>106 478</u>	<u>(4 150)</u>	<u>55 691</u>
<b>Sub Total</b>	<u>1 677 945</u>	<u>1 594 181</u>	<u>83 764</u>	<u>2 136 185</u>
Small grants x 7 annually	<u>595 000</u>	<u>679 645</u>	<u>(84 645)</u>	-
<b>Sub Total</b>	<u>595 000</u>	<u>679 645</u>	<u>(84 645)</u>	-
Provision for payment of additional consultants for capacity building in the region and for payment of legal fees as necessary to support litigation in the region	<u>50 000</u>	<u>91 897</u>	<u>(41 897)</u>	<u>3 720</u>
<b>Sub Total</b>	<u>50 000</u>	<u>91 897</u>	<u>(41 897)</u>	<u>3 720</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 2 (continued)</b>				
<b>Training and Capacity Building Programme (continued)</b>				
Production and distribution of Advocacy Training Resource Manual	200 000	180 010	19 990	321 866
Production and distribution of HIV information booklet on testing and human rights	100 000	-	100 000	-
Production and distribution of booklet on HIV in prisons	100 000	-	100 000	-
Production and distribution of booklet on advocacy topic to be determined	100 000	75 325	24 675	-
Development and updating of materials	<u>100 000</u>	<u>91 401</u>	<u>8 599</u>	<u>100 000</u>
<b>Sub Total</b>	<u>600 000</u>	<u>346 736</u>	<u>253 264</u>	<u>421 866</u>
Director 1/3	203 261	203 261	-	184 783
Programme Manager 1/3	183 428	182 756	572	40 494
Office Co-ordinator 1/3	97 668	93 390	4 278	107 751
Financial Manager 1/3	136 283	136 467	(184)	80 971
M & E Manager 1/3	86 144	97 837	(11 693)	-
Training Officer	344 575	133 483	211 092	166 984
Training Co-ordinator	257 627	251 550	6 077	146 467
Administrative Assistant Windhoek 1/3	46 967	-	46 967	-
Assistant to Director 1/3	-	-	-	38 488
Office Assistant 1/3	30 511	29 209	1 302	24 689
Staff development costs	33 000	8 643	24 357	550
Administrative costs	246 386	282 768	(36 382)	236 825
To cover the cost of travel for the director and staff to support activities in the region and to attend internationally	<u>300 000</u>	<u>124 513</u>	<u>175 487</u>	<u>294 828</u>
<b>Sub Total</b>	<u>1 965 850</u>	<u>1 543 877</u>	<u>421 973</u>	<u>1 322 830</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 3</b>				
<b>Regional Capacity Building for Access to HIV Treatment and Prevention Programme</b>				
Botswana Treatment Literacy Co-ordinator	241 758	133 987	107 771	154 242
Lesotho Treatment Literacy Co-ordinator	219 780	164 835	54 945	149 850
Swaziland Treatment Literacy Co-ordinator	219 780	54 945	164 835	-
Treatment Literacy Trainers 20 pax	900 000	408 120	491 880	-
Botswana: Contribution to utilities, communications, fuel, stationery, office supplies, equipment maintenance	262 800	147 989	114 811	176 889
Lesotho: Contribution to utilities, communications, fuel, stationery, office supplies, equipment maintenance	262 800	197 100	65 700	179 181
Swaziland: Contribution to utilities, communications, fuel, stationery, office supplies, equipment maintenance	262 800	59 751	203 049	-
Office furniture and equipment: Swaziland	20 000	18 000	2 000	-
Office furniture and equipment: Lesotho: furniture and projector	-	-	-	15 000
<b>Sub Total</b>	<u>2 389 718</u>	<u>1 184 727</u>	<u>1 204 991</u>	<u>675 162</u>
<b>Botswana</b>				
4x Needs Assessment meetings @ N\$ 16 000 per meeting incl. accommodation, meals and transport	77 440	52 564	24 876	39 102
2x5-day Advanced Training of trainers workshop for 20 pax	114 180	-	114 180	91 201
5x3-day Treatment Literacy Awareness workshop	198 000	3 498	194 502	145 642
3x1-day Botswana Treatment Coalition meetings for 30 pax	67 790	49 093	18 697	61 540
1x1-day Policy Makers meeting	24 503	1 212	23 291	11 613
World AIDS Day activities incl. facilitators road transport and accommodation	10 406	18 041	(7 635)	9 848
5x1-day M & E meetings	<u>72 600</u>	<u>30 310</u>	<u>42 290</u>	<u>33 000</u>
<b>Sub Total</b>	<u>564 919</u>	<u>154 718</u>	<u>410 201</u>	<u>391 946</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 3 (continued)</b>				
<b>Lesotho</b>				
4x Needs Assessment meetings @ N\$ 16 000 per meeting incl. accommodation, meals and transport	77 440	56 586	20 854	70 400
2x5-day Advanced Training of trainers workshop for 20 pax	114 180	75 513	38 667	103 800
3x3-day Treatment Literacy Awareness workshop	217 800	152 358	65 442	162 709
2x1-day Lesotho Treatment Coalition meetings for 30 pax	45 194	14 164	31 030	10 000
World AIDS Day activities incl. facilitators road transport and accommodation	10 406	1 989	8 417	9 460
5x1-day M & E meetings	<u>72 600</u>	-	<u>72 600</u>	-
<b>Sub Total</b>	<u>537 620</u>	<u>300 610</u>	<u>237 010</u>	<u>356 369</u>
<b>Swaziland</b>				
4x Needs assessment meetings @ N\$ 16 000 per meeting including accommodation, meals and transport	77 400	23 422	53 978	-
2x5-day Advanced training of trainers workshop for 20 pax	114 180	-	114 180	-
3x3-day Treatment literacy awareness workshops	217 800	-	217 800	-
2x1-day Lesotho Treatment Coalition meetings for 30 pax	45 194	3 200	41 994	-
World AIDS Day activities incl. facilitators road transport and accommodation	10 406	10 400	6	-
5x1-day M & E meetings	<u>72 600</u>	-	<u>72 600</u>	-
<b>Sub Total</b>	<u>537 580</u>	<u>37 022</u>	<u>500 558</u>	-



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 3 (continued)</b>				
<b>Botswana</b>				
1x2-day materials development meeting	43 560	-	43 560	-
Design, production and dissemination of visual, written and audio visual materials	242 000	52 380	189 620	50 000
<b>Lesotho</b>				
1x2-day materials development meeting	43 560	-	43 560	-
Design, production and dissemination of visual, written and audio visual materials	121 000	-	121 000	-
<b>Swaziland</b>				
1x2-day materials development meeting	43 560	-	43 560	-
Design, production and dissemination of visual, written and audio visual materials	121 000	115 000	6 000	-
Design, production and dissemination of fact sheet on HIV and TB, MDR XDR TB	<u>67 000</u>	<u>58 125</u>	<u>8 875</u>	<u>11 251</u>
<b>Sub Total</b>	<u>681 680</u>	<u>225 505</u>	<u>456 175</u>	<u>61 251</u>
<b>Regional policy dialogues</b>				
Regional policy dialogues on HIV/TB	<u>410 072</u>	-	<u>410 072</u>	<u>352 218</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 3 (continued)</b>				
Director 1/3	203 261	203 261	-	183 783
Programme Manager 1/3	183 248	182 756	492	40 494
Office Co-ordinator 1/3	97 688	93 308	4 380	107 787
Financial Manager 1/3	136 283	136 467	(184)	73 828
Regional Treatment Co-ordinator	410 350	409 473	877	376 952
HIV/TB Trainer	344 575	343 699	876	256 169
M & E Officer 1/3	86 144	97 838	(11 694)	-
Administrative Assistant Windhoek 1/3	46 967	-	46 967	-
Assistant to Director 1/3	-	-	-	38 489
Office Assistant 1/3	30 511	29 322	1 189	23 363
Staff development costs	33 000	32 037	963	6 284
Administrative costs	246 386	325 500	(79 114)	319 799
To cover the cost of travel for the director and staff to support activities in the region and to attend internationally	<u>300 000</u>	<u>198 012</u>	<u>101 988</u>	<u>237 573</u>
<b>Sub Total</b>	<u>2 118 413</u>	<u>2 051 673</u>	<u>66 740</u>	<u>1 664 521</u>
 <b>Board Meetings</b>				
To cover the costs of attendance by Trustees at Trustees' meetings	<u>100 000</u>	<u>9 175</u>	<u>90 825</u>	<u>-</u>
<b>Sub Total</b>	<u>100 000</u>	<u>9 175</u>	<u>90 825</u>	<u>-</u>
 <b>Steering Committee Meetings</b>				
To cover the costs of attendance by Steering Committee members at committee meetings	<u>-</u>	<u>-</u>	<u>-</u>	<u>137 991</u>
<b>Sub Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137 991</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OUTCOME # 3 (continued)</b>				
<b>Annual Planning Meeting with Regional Organisers</b>				
To cover the costs of travel, meeting venue and accommodation for 10 pax	-	-	-	<u>22 023</u>
<b>Sub Total</b>	-	-	-	<u>22 023</u>
<b>Development and implementation of M &amp; E Plan</b>				
Cost of consultants	<u>150 000</u>	-	<u>150 000</u>	<u>2 750</u>
<b>Sub Total</b>	<u>150 000</u>	-	<u>150 000</u>	<u>2 750</u>
<b>NON-BUDGET EXPENDITURE</b>				
<b>Foreign exchange differences</b>				
Loss on foreign exchange	-	<u>58 111</u>	<u>(58 111)</u>	-
	-	<u>58 111</u>	<u>(58 111)</u>	-
<b>Expenditure funded by non-JFA donors</b>				
<b>Ford Foundation</b>				
2 Regional consultative meetings on topics to be determined	163 200	163 200	-	-
Training and awareness raising workshops 40 pax	469 200	469 200	-	-
Regional policy dialogues on HIV/TB	289 928	289 928	-	-
General awareness raising activities and material development	<u>97 672</u>	<u>97 672</u>	-	-
<b>Sub Total</b>	<u>1 020 000</u>	<u>1 020 000</u>	-	-
<b>HIVOS</b>				
Training Co-ordinator	152 723	152 723	-	-
Advocacy Co-ordinator	137 458	137 458	-	-
Training and awareness raising workshops 40 pax	<u>437 819</u>	<u>437 819</u>	-	-
<b>Sub Total</b>	<u>728 000</u>	<u>728 000</u>	-	-



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**INCOME STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>	<u>Variance</u>	<u>2008</u> <u>Actual</u>
	N\$	N\$	N\$	N\$
<b>OSISA</b>				
Training and awareness raising workshops 40 pax	<u>967 364</u>	<u>967 364</u>	-	-
<b>Total ARASA project cost</b>	<u>22 095 837</u>	<u>17 201 749</u>	<u>4 894 088</u>	<u>12 647 729</u>
<b>FUNDED BY JFA DONORS</b>				
Donations				
- Dfid		7 792 041		-
- Irish Aid		5 146 347		4 813 436
- Swedish International Development Corporation Agency		<u>3 494 248</u>		<u>3 723 075</u>
		<u>16 432 636</u>		<u>8 536 511</u>
<b>FUNDED BY NON-JFA DONORS</b>				
- Public Welfare foundation		-		569 586
- HIVOS		728 000		-
- Ford Foundation		1 019 745		-
- Open Society Initiative for Southern Africa (OSISA) General and Literacy		967 364		61 158
- Foundation Open Society Institute		-		<u>836 753</u>
		<u>2 715 109</u>		<u>1 467 497</u>
<b>TOTAL DONATIONS</b>		19 147 745		10 004 010
Reversal of 2007 donation receivable not received		(75 800)		-
Consulting income				-
- Eisenberg & Associates		4 821		-
- GNP Plus		34 719		-
- Institute of International Education		159 827		-
- HEARD / University Kwazulu Natal		52 237		-
Sale of old "equipment"		-		2 500
Interest received		<u>195 715</u>		<u>245 271</u>
		<u>19 519 264</u>		<u>10 251 779</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		2 317 515		(2 395 950)
<b>ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR</b>		<u>715 143</u>		<u>3 111 093</u>
<b>ACCUMULATED FUNDS AT THE END OF THE YEAR</b>		<u>3 032 658</u>		<u>715 143</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u>	<u>2008</u>
	N\$	N\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from donors	18 718 128	11 242 500
Cash paid to suppliers and employees	<u>(16 707 026)</u>	<u>(12 616 381)</u>
Cash generated/(utilised) by operations	2 011 102	(1 373 881)
Proceeds from sale of equipment	-	2 500
Interest received	<u>195 715</u>	<u>245 271</u>
Net cash inflow/(outflow) from operating activities	<u>2 206 817</u>	<u>(1 126 110)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2 206 817</b>	<b>(1 126 110)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>934 338</u>	<u>2 060 448</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>3 141 155</u>	<u>934 338</u>

**NOTE TO THE CASH FLOW STATEMENT**

Reconciliation of surplus/(deficit) to cash generated/(utilised) by operations

Surplus/(deficit) for the year	2 317 515	(2 395 950)
Adjustments for:		
- profit on sale of equipment	-	(2 500)
- interest income	<u>(195 715)</u>	<u>(245 271)</u>
Operating surplus/(deficit) before working capital changes	2 121 800	(2 643 721)
Working capital changes		
- (increase)/decrease in accounts receivable	(670 843)	1 270 011
- increase/(decrease) in accounts payable	<u>560 145</u>	<u>(171)</u>
Cash generated/(utilised) by operations	<u>2 011 102</u>	<u>(1 373 881)</u>



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**1. ACCOUNTING POLICY**

The annual financial statements have been prepared in accordance with Statement of Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and the terms of reference – ARASA Audit instructions, using the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the profit and loss and conform to GAAP.

The preparation of the financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates.

The following are the principal accounting policies of the Trust, which are consistent with those applied in prior years:

Income recognition

Income comprises donations received and accrued as per donors' agreements.

Donation income is recognised to the extent that it is probable that the economic benefits will flow and the amount of revenue can be reliably measured.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity.

The Trust recognises other income when the project's right to receive payment is established.

Taxation

The Aids and Rights Alliance for Southern Africa (ARASA) Trust is registered as a trust not for gain and as such is not liable for income tax. Therefore the Trust and its sub-projects are not registered for income tax.

Furniture and computer equipment

The Trust fully depreciates all capital expenditure and all furniture and computer equipment on the date of acquisition in accordance with capital expenditure budgets and donor requirements.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Financial instruments

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables, trade payables and borrowings.





**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICY (continued)

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the project will not be able to collect all amounts due according to the original terms of receivables.

Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Related parties

All related party transactions are incurred in the ordinary course of business and at terms not more favourable than transactions with third parties.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

Operating leases (lessee)

The project classifies leases of assets where the lessor effectively retains the risks and benefits of ownership as operating leases. It charges operating lease payments to the income statement on a straight line basis over the period of the lease.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

1. ACCOUNTING POLICY (continued)

Computer software

Computer software is expensed in the year it is incurred.

Employee benefits

The project recognises in full employees' right to annual leave entitlement in respect of past service.

Staff bonuses are accounted for in the period to which they relate.

Provisions

Provisions are recognised when:

- the project has a present legal or constructive obligation as a result of past events and
- 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.

2. FURNITURE AND COMPUTER EQUIPMENT

<u>Acquired and expensed</u>	<u>Cost</u>	<u>Expensed</u>	<u>Carrying value</u>
	N\$	N\$	N\$
<b>2009</b>			
- 3 x laptops	34 014	34 014	-
- other computer equipment	2 449	2 449	-
- fridge and oven	2 100	2 100	-
- laptop and desktop	15 411	15 411	-
- airconditioner	3 950	3 950	-
- other furniture (Windhoek)	7 204	7 204	-
<b>2008</b>			
- Panasonic fax machine	3 900	3 900	-
- Panasonic fax machine	3 900	3 900	-
- 4 x laptops	77 898	77 898	-
- 2 x computers	44 473	44 473	-
- fridge	1 730	1 730	-
- other furniture (Johannesburg)	3 600	3 600	-
- other furniture (Windhoek)	6 261	6 261	-
- other computer equipment	5 187	5 187	-



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

2. FURNITURE AND COMPUTER EQUIPMENT (continued)

<u>Acquired and expensed</u>	<u>Cost</u>	<u>Expensed</u>	<u>Carrying value</u>
	N\$	N\$	N\$
<b>2007</b>			
- 3 x HP laptops	41 001	41 001	-
- server	27 951	27 951	-
- other computer equipment	4 629	4 629	-
- office furniture (Johannesburg)	39 990	39 990	-
- office furniture	713	713	-
<b>2006</b>			
- office furniture	29 269	29 269	-
- Siemens laptop and monitor	14 120	14 120	-
- other computer equipment	22 998	22 998	-
- software	4 583	4 583	-
<b>2005</b>			
- Siemens laptop	20 072	20 072	-
<b>2004</b>			
- Panasonic digital copier	41 888	41 888	-
- Panasonic Inkjet fax machine	4 006	4 006	-
- Centrino notebooks with software	24 361	24 361	-
- HP 450 printer	<u>2 621</u>	<u>2 621</u>	-
	<u>343 330</u>	<u>343 330</u>	<u>-</u>

	<u>2009</u>	<u>2008</u>
	N\$	N\$
3. ACCUMULATED FUNDS		
Opening balance	715 143	3 111 093
Surplus/(deficit) for the year	<u>2 317 515</u>	<u>(2 395 950)</u>
Closing balance	<u>3 032 658</u>	<u>715 143</u>

Accumulated surpluses may be subject to refund at the discretion of the donors and as per provisions of the individual funding agreements. Refunds are only accounted for once such demands are received from donors.



**THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	<u>2009</u>	<u>2008</u>
	N\$	N\$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Rent deposit – Cape Town office	1 500	-
Rent deposit - Johannesburg office	21 450	10 000
Sundry receivables	90 693	9 120
Donations receivable - Centre for Study of AIDS	-	75 800
	<u>113 643</u>	<u>94 920</u>
<b>5. TRADE AND OTHER PAYABLES</b>		
Funds in advance	733 387	-
Trade accruals	70 372	24 559
Employment tax payable (RSA - SITE)	70 501	289 556
	<u>874 260</u>	<u>314 115</u>
<b>6. ADVANCES TO SUB-PROJECTS</b>		
Positive Living – Swaziland	294 201	-
Protection Enfants SIDA – Democratic Republic of Congo	69 543	-
Botswana Network on Ethics, Law and HIV/AIDS - Botswana	84 170	-
Women and Law in Southern Africa – Swaziland	189 697	-
Adventist Development and Relief Agency – Lesotho	14 509	-
	<u>652 120</u>	<u>-</u>

