

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA

(ARASA) TRUST

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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ADMINISTRATION

Donors - JFA: Swedish International Development Cooperation Agency (SIDA)

Donors – other: World Health Organisation
Ford Foundation
HIVOS
Open Society Initiative for Southern Africa (OSISA)
Foundation Open Society Institute
John M Lloyd Foundation
GNP +

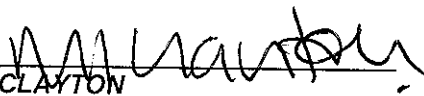
Trustees: Christine Stegling
Nonkosi Khumalo
Kaumbu Mwondela
Lois Chingandu
Franziska Hancox

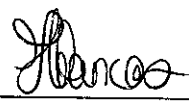
Director: M Clayton

Auditors: Stier Vente Associates

STATEMENT BY THE TRUSTEES

The annual financial statements for the year ended 31 December 2012 set out on pages 4 to 24 have been approved by The Trustees and are signed on their behalf by:


M CLAYTON
(Director)


(Trustee)





STIER VENTE ASSOCIATES
CHARTERED ACCOUNTANTS

50 Olof Palme Street
P O Box 90001, Klein Windhoek
Tel: 061-264440 / 60 / 80
Fax: 061-264490
e-mail: admin@svanam.com

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 2012, 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 24.

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.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Trust at 31 December 2012 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 & Associates
STIER VENTE ASSOCIATES
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)

Per: B VENTE
Partner

WINDHOEK, 27 February 2013

MC

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
BALANCE SHEET AS AT 31 DECEMBER 2012

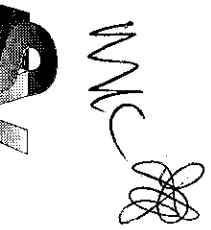
	Note	<u>2012</u>	<u>2011</u>
		N\$	N\$
<u>ASSETS</u>			
<i>CURRENT ASSETS</i>			
<i>Advances to sub-projects</i>	6	90 151	2 053 375
<i>Trade and other receivables</i>	4	6 186	194 435
<i>Cash and cash equivalents</i>		<u>10 261 811</u>	<u>7 742 643</u>
TOTAL ASSETS		<u>10 358 148</u>	<u>9 990 453</u>
 <u>FUNDS AND LIABILITIES</u>			
<i>FUNDS AND RESERVES</i>			
<i>Accumulated funds</i>	3	<u>8 275 528</u>	<u>7 459 197</u>
<i>CURRENT LIABILITIES</i>			
<i>Bank overdraft</i>		8 237	-
<i>Trade and other payables</i>	5	<u>2 074 383</u>	<u>2 531 256</u>
		<u>2 082 620</u>	<u>2 531 256</u>
TOTAL FUNDS AND LIABILITIES		<u>10 358 148</u>	<u>9 990 453</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>	
	N\$	N\$	N\$	
OUTCOME 1: STRENGTHENED CIVIL SOCIETY CAPACITY FOR EFFECTIVE HUMAN RIGHTS, HIV AND TB ADVOCACY IN SADC				
1.1	Improved civil society practical knowledge to conduct effective advocacy on human rights and HIV/AIDS in the SADC region			
1.1.2	Conduct Module 1 of the ToT (face-to-face contact session covering basic human rights concepts and introduction to treatment literacy)	615 001	605 799	9 202
1.1.3	Conduct Module 2 of the ToT (Online, covering a further exploration of Monitoring and Evaluation)	55 000	35 000	20 000
1.1.4	Conduct Module 3 of the ToT (Online, covering Treatment literacy)	-	618 926	(618 926)
1.1.5	Conduct Module 4 of the ToT (face-to-face advanced training session)	623 751	603 845	19 906
1.1.8	Online portal adjusted to provide short courses	20 000	-	20 000
1.1.13	Conduct quarterly teleconference with ARASA TOT Alumni committee	5 000	5 000	-
	Subtotal	<u>1 318 752</u>	<u>1 868 570</u>	<u>(549 818)</u>
1.2	ARASA Training programme improved through development and revision of training materials			
1.2.1	Assessment of current manual (including use and packaging)	5 000	-	5 000
1.2.2	Revision of training manual, circulation for peer review and finalisation of revised materials	200 000	-	200 000
1.2.3	Piloting "Right to Health" with partners in Zambia, Swaziland and Mozambique	35 000	-	35 000
	Subtotal	<u>240 000</u>	<u>-</u>	<u>240 000</u>



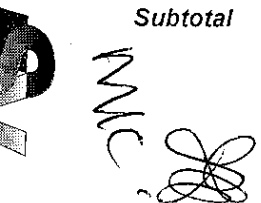
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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 1: STRENGTHENED CIVIL SOCIETY CAPACITY FOR EFFECTIVE HUMAN RIGHTS, HIV AND TB ADVOCACY IN SADC (continued)			
1.3	ARASA partners implementing country programmes receiving technical support for effective advocacy on human rights, HIV and TB		
1.3.1	65 050	25 425	39 625
1.3.3	31 950	-	31 950
1.3.5	9 100	22 096	(12 996)
1.3.6	10 300	4 302	5 998
1.3.7	67 200	65 470	1 730
1.3.9	10 000	-	10 000
1.3.12	500 500	536 346	(35 846)
	-	(61 311)	61 311
	-	1 062 638	(1 062 638)
1.3.13	86 100	80 350	5 750
1.3.14	29 000	28 980	20
Subtotal	<u>809 200</u>	<u>1 764 296</u>	<u>(955 096)</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 1: STRENGTHENED CIVIL SOCIETY CAPACITY FOR EFFECTIVE HUMAN RIGHTS, HIV AND TB ADVOCACY IN SADC (continued)			
1.4 Support country programme - Mozambique (Muleide)			
1.4.2 Contribution to utilities, communications, fuel, stationery, office supplies and equipment maintenance	151 200	151 200	-
1.4.3 HIV and Human Rights Training and Advocacy Coordinator	200 207	200 207	-
1.4.4 Advocacy activities	840 000	540 558	299 442
1.4.5 Community Health Advocates stipends	<u>208 593</u>	<u>208 593</u>	<u>-</u>
Subtotal	<u>1 400 000</u>	<u>1 100 558</u>	<u>299 442</u>
1.5 Support country programme - Malawi			
1.5.1 Office furniture and equipment (½)	15 000	29 832	(14 832)
1.5.2 Purchase of Pastel accounting software (½)	18 750	18 295	455
1.5.3 Contribution to utilities, communications, fuel, stationery, office supplies and equipment maintenance (½)	84 315	39 143	45 172
1.5.4 HIV and Human Rights Training and Advocacy Coordinator (½)	91 575	67 215	24 360
1.5.5 Advocacy activities	150 000	145 397	4 603
1.5.6 Community Health Advocates stipends	<u>135 000</u>	<u>52 278</u>	<u>82 722</u>
Subtotal	<u>494 640</u>	<u>352 160</u>	<u>142 480</u>



THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
N\$	N\$	N\$

OUTCOME 1: STRENGTHENED CIVIL SOCIETY CAPACITY FOR EFFECTIVE HUMAN RIGHTS, HIV AND TB ADVOCACY IN SADC (continued)

Support country programme - Swaziland 2011

Swaziland Treatment Literacy Coordinator (½) (SWAPOL)	-	149 588	(149 588)
Contributions to utilities (½) (SWAPOL)	-	37 068	(37 068)
TLT stipends (½) (SWAPOL)	-	162 000	(162 000)
Swaziland Human Rights Coordinator (½) (WLSA)	-	80 476	(80 476)
Contributions to utilities (½) (WLSA)	-	75 930	(75 930)
Training and awareness raising workshops and activities	-	36 350	(36 350)
In-Country partners meeting E 40 000, quarterly partners & advisory committee meetings	-	1 500	(1 500)
E 35 000 quarterly TT progress meetings (½) WSLA	-	<u>52 853</u>	<u>(52 853)</u>
Subtotal	<u>-</u>	<u>595 765</u>	<u>(595 765)</u>

Support country programme - Lesotho 2011

Lesotho Treatment Literacy Coordinator	-	109 890	(109 890)
Contribution to utilities, communications, fuel, stationery, office supplies and equipment maintenance	-	110 006	(110 006)
Treatment Literacy Trainers (stipends for 10 in 2008 and 10 in 2009 @ N\$ 1500 pm per person)	-	<u>138 500</u>	<u>(138 500)</u>
Subtotal	<u>-</u>	<u>358 396</u>	<u>(358 396)</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 1: STRENGTHENED CIVIL SOCIETY CAPACITY FOR EFFECTIVE HUMAN RIGHTS, HIV AND TB ADVOCACY IN SADC (continued)			
1.6 Programme Management costs			
Director ½	402 134	402 057	77
Programme Manager ½	362 818	369 774	(6 956)
Office Administrator ½	159 682	126 917	32 765
Financial Manager ½	269 952	269 952	-
M & E Officer ½	248 443	228 181	20 262
Advocacy Team Leader	540 754	540 788	(34)
Advocacy Officer	418 514	393 532	24 982
Communications Officer	388 501	274 503	113 998
Office Assistant Cape Town ½	9 000	5 040	3 960
Office Assistant ½	<u>65 985</u>	<u>62 436</u>	<u>4 549</u>
Subtotal	<u>2 865 783</u>	<u>2 673 180</u>	<u>192 603</u>
Staff development cost ½	25 000	24 028	972
Administrative costs (utilities, rent, stationery, postage, etc) ½	450 000	414 583	35 417
To cover travel costs of director and staff to support activities in the region and to attend international meetings ½	170 000	169 537	463
Subscriptions to media services (SAPA and Meltwater)	50 000	46 540	3 460
Office equipment and computer equipment ½	<u>30 000</u>	<u>24 249</u>	<u>5 751</u>
Subtotal	<u>725 000</u>	<u>678 937</u>	<u>46 063</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>	
	N\$	N\$	N\$	
OUTCOME 2: INCREASED MOBILISATION OF CIVIL SOCIETY ADVOCACY ON HUMAN RIGHTS ISSUES IN THE CONTEXT OF HIV/AIDS AND TB IN SADC				
2.1	Enhanced mobilization of civil society to advocate for funding for health in the SADC region			
2.1.4	Support mass mobilization activities in 4 focal countries (Zambia, Zimbabwe, Swaziland and Botswana)	200 000	-	200 000
2.1.5	Implement a media campaign to raise awareness of funding for health and Global fund mid-replenishment and domestic funding efforts (including press conferences, media statements, media interviews, etc)	<u>20 000</u>	-	<u>20 000</u>
	Subtotal	<u>220 000</u>	-	<u>220 000</u>
2.2	Enhanced mobilization of civil society advocacy campaigning on TB, HIV and Human Rights			
2.2.1	Support data collection and collation for TB and Human Rights Documentation Project in Swaziland and Botswana	252 100	370 075	(117 975)
2.2.4	Launch and sharing of report with communities and other stakeholders in Botswana and Swaziland	23 200	22 118	1 082
2.2.8	Submission of "TB and the Mines" abstracts, payment for exhibition space and attendance at the 3 rd SA TB Conference - 2 pax	<u>43 360</u>	<u>24 185</u>	<u>19 175</u>
	Subtotal	<u>318 660</u>	<u>416 378</u>	<u>(97 718)</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2012 Variance</u>
	N\$	N\$	N\$
OUTCOME 2: INCREASED MOBILISATION OF CIVIL SOCIETY ADVOCACY ON HUMAN RIGHTS ISSUES IN THE CONTEXT OF HIV/AIDS AND TB IN SADC (continued)			
2.3	Enhanced civil society mobilization to advocate for human rights for most at risk population in the context of HIV/TB in SADC		
2.3.1	409 110	237 493	171 617
2.3.4	Strengthen and expand the operational and managerial capacity of ARASA to implement regional programme on SRHR and LGBTI		
	1 418 310	51 140	1 367 170
2.3.5	Regional knowledge-sharing, network meetings and skills exchange visits on SRHR and LGBTI		
	996 990	-	996 990
2.3.6	Provide information and promote mainstreaming of LGBTI related issues within government and CSOs		
	1 123 690	-	1 123 690
2.3.7	Support and develop the capacity of community level networks and organisations working on SRHR and LGBTI		
	338 860	-	338 860
2.3.8	Support and develop the capacity of civil society to advocate for removal of punitive laws, including criminalization of HIV transmission		
	<u>100 000</u>	<u>-</u>	<u>100 000</u>
	Subtotal		
	<u>4 386 960</u>	<u>288 633</u>	<u>4 098 327</u>
2.4	ARASA Country partners receiving technical support for effective advocacy on human rights, HIV and TB		
2.4.2	Placement of 2 interns from partner organisations with more established partner organisations		
	<u>151 500</u>	<u>122 828</u>	<u>28 672</u>
	Subtotal		
	<u>151 500</u>	<u>122 828</u>	<u>28 672</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 2: INCREASED MOBILISATION OF CIVIL SOCIETY ADVOCACY ON HUMAN RIGHTS ISSUES IN THE CONTEXT OF HIV/AIDS AND TB IN SADC (continued)			
2.5	Enhanced civil society awareness of human rights abuses in the context of HIV/AIDS in SADC through information dissemination		
2.5.1	175 000	153 660	21 340
2.5.2	10 000	-	10 000
2.5.3	<u>20 000</u>	<u>22 025</u>	<u>(2 025)</u>
	<u>205 000</u>	<u>175 685</u>	<u>29 315</u>
2.6	Strengthen advocacy representation of the ARASA partnership at regional and international forums		
2.6.2			
2.6.2	36 800	37 632	(832)
2.6.4	<u>199 448</u>	<u>191 087</u>	<u>8 361</u>
	<u>236 248</u>	<u>228 719</u>	<u>7 529</u>
2.7	Strengthen CSO networking for human rights and TB/HIV advocacy in SADC		
2.7.1	15 000	9 939	5 061
2.7.2	99 250	86 737	12 513
2.7.4	712 200	704 300	7 900
2.7.5	<u>490 000</u>	<u>-</u>	<u>490 000</u>
	<u>1 316 450</u>	<u>800 976</u>	<u>515 474</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2012 Variance</u>
	N\$	N\$	N\$
OUTCOME 2: INCREASED MOBILISATION OF CIVIL SOCIETY ADVOCACY ON HUMAN RIGHTS ISSUES IN THE CONTEXT OF HIV/AIDS AND TB IN SADC (continued)			
2.8 Support country programme - Malawi			
2.8.1 Office furniture and equipment (½)	15 000	29 832	(14 832)
2.8.2 Purchase of Pastel accounting software (½)	18 750	-	18 750
2.8.3 Contribution to utilities, communications, fuel, stationery, office supplies and equipment maintenance (½)	84 315	39 143	45 172
2.8.4 HIV and Human Rights Training and Advocacy Coordinator (½)	91 575	67 215	24 360
2.8.5 Training activities	750 000	520 136	229 864
2.8.6 General awareness raising activities and materials development	75 000	58 174	16 826
2.8.6 Community Health advocates stipends	<u>135 000</u>	<u>52 278</u>	<u>82 722</u>
Subtotal	<u>1 169 640</u>	<u>766 778</u>	<u>402 862</u>
2.9 Programme management costs			
Director (½)	402 134	402 057	77
Programme Manager (½)	362 817	369 777	(6 960)
Office Administrator (½)	159 682	126 877	32 805
Financial Manager (½)	269 952	269 952	-
M & E Officer (½)	248 443	228 181	20 262
Training and Capacity Team Leader	540 754	540 788	(34)
Training officer	453 992	454 025	(33)
LGBTI Regional programme Coordinator (6 months)	209 257	-	209 257
Researcher (6 months)	194 250	-	194 250
Office Assistant Windhoek (½)	<u>65 985</u>	<u>62 451</u>	<u>3 534</u>
Subtotal	<u>2 907 266</u>	<u>2 454 108</u>	<u>453 158</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

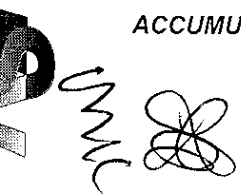
	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 2: INCREASED MOBILISATION OF CIVIL SOCIETY ADVOCACY ON HUMAN RIGHTS ISSUES IN THE CONTEXT OF HIV/AIDS AND TB IN SADC (continued)			
2.9 Programme management costs (continued)			
Staff development costs (½)	25 000	27 150	(2 150)
Administrative costs (utilities, rent, stationery, postage, etc) (½)	450 000	414 583	35 417
To cover travel cost of director and staff to support activities in the region and to attend international meetings	170 000	170 109	(109)
Office equipment and computer equipment	<u>30 000</u>	<u>28 072</u>	<u>1 928</u>
Subtotal	<u>675 000</u>	<u>639 914</u>	<u>35 086</u>
OUTCOME 3: ARASA PROGRAMME MANAGEMENT ENHANCED FOR EFFECTIVE IMPLEMENTATION OF ACTIVITIES (PROGRAMME MANAGEMENT / OPERATIONS)			
3.1 Conduct weekly staff calls	2 500	2 500	-
3.2 Conduct bi-weekly calls with country programme hosts	2 500	2 500	-
3.4 Provide M & E related technical support to ARASA staff, grant recipients and partners	50 000	29 523	20 477
3.5 Provide support to the external evaluation of the 2008 - 2012 Strategic Plan	180 462	127 169	53 293
3.6 Development of 2013 - 2017 Strategic Plan	150 000	26 691	123 309
3.8 Convene annual planning meeting for ARASA staff	54 109	28 942	25 167
3.9 Convene mid-year work plan review meeting for ARASA staff	45 935	20 785	25 150
3.10 Convene end of year work plan review and planning meeting for ARASA staff	77 000	57 103	19 897
3.11 Convene two meetings of board of trustees	<u>20 000</u>	<u>14 834</u>	<u>5 166</u>
Subtotal	<u>582 506</u>	<u>310 047</u>	<u>272 459</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 3: ARASA PROGRAMME MANAGEMENT ENHANCED FOR EFFECTIVE IMPLEMENTATION OF ACTIVITIES (PROGRAMME MANAGEMENT / OPERATIONS) (continued)			
<i>Non-budget expense</i>			
Loss on foreign currency	-	<u>59 488</u>	<u>(59 488)</u>
Subtotal	-	<u>59 488</u>	<u>(59 488)</u>
Total JFA budget and expenditure	<u>20 022 605</u>	<u>15 655 416</u>	<u>4 367 189</u>
TOTAL ARASA PROJECT COSTS	<u>20 022 605</u>	<u>15 655 416</u>	<u>4 367 189</u>
FUNDED BY JFA DONORS			
<i>Donations</i>			
- Swedish International Development	-	<u>12 799 660</u>	-

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT / BUDGET COMPARISON
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Variance</u>
	N\$	N\$	N\$
OUTCOME 3: ARASA PROGRAMME MANAGEMENT ENHANCED FOR EFFECTIVE IMPLEMENTATION OF ACTIVITIES (PROGRAMME MANAGEMENT / OPERATIONS) (continued)			
FUNDED BY NON-JFA DONORS			
<i>Donations</i>			
- HIVOS	-	272 604	-
- Ford Foundation	-	1 888 670	-
- Open Society Initiative for South Africa (OSISA) General and Literacy	-	1 076 352	-
- John M Lloyd Foundation	-	193 444	-
TOTAL DONATIONS	-	<u>16 230 730</u>	-
<i>Sundry income</i>	-	32 483	-
<i>Interest received</i>	-	208 534	-
TOTAL INCOME	-	<u>16 471 747</u>	-
SURPLUS FOR THE YEAR	-	816 331	-
ACCUMULATED FUNDS AT THE BEGINNING OF THE YEAR	-	<u>7 459 197</u>	-
ACCUMULATED FUNDS AT THE END OF THE YEAR	-	<u><u>8 275 528</u></u>	-



THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	N\$	N\$
INCOME		
Donations received	<u>16 230 730</u>	<u>16 752 356</u>
OTHER INCOME		
Profit on foreign currency	-	154 585
Profit on sale of fixed asset	-	8 500
Consulting income	-	49 715
Interest received	208 534	130 673
Sundry income	<u>32 483</u>	<u>-</u>
	<u>16 471 747</u>	<u>17 095 829</u>
EXPENDITURE		
Outcome 1: Advocacy Programme	6 388 845	2 185 776
Outcome 2: Training and Capacity Building Programme	3 110 074	3 793 425
Outcome 3: Programme Management / Operations	310 047	74 773
Auditors remuneration	49 335	40 710
Bank charges	21 862	17 830
Courier and postage	10 454	21 442
Electricity and water	17 458	-
Insurance	31 666	37 735
Office expenses	34 369	35 175
Rent paid	176 151	189 214
Staff remuneration	5 127 288	4 927 271
Stationery and subscriptions	94 912	41 054
Telephone and postage	223 467	194 486
Loss on foreign exchange	59 488	
Expenditure funded by Non-JFA Donors	<u>-</u>	<u>1 134 296</u>
	<u>15 655 416</u>	<u>12 693 187</u>
SURPLUS FOR THE YEAR	816 331	4 402 642
ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR	<u>7 459 197</u>	<u>3 056 555</u>
ACCUMULATED DEFICIT AT THE END OF THE YEAR	<u>8 275 528</u>	<u>7 459 197</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	N\$	N\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from donors	16 230 730	17 057 662
Cash paid to suppliers and employees	<u>(13 928 333)</u>	<u>(12 505 821)</u>
Cash generated by operations	2 302 397	4 551 841
Interest received	<u>208 534</u>	<u>130 674</u>
Net cash inflow from operating activities	<u>2 510 931</u>	<u>4 682 515</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2 510 931	4 682 515
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7 742 643</u>	<u>3 060 128</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>10 253 574</u>	<u>7 742 643</u>

NOTE TO THE CASH FLOW STATEMENT

Reconciliation of surplus to cash generated by operations

Surplus for the year	816 331	4 463 953
Adjustments for:		
- interest income	<u>(208 534)</u>	<u>(130 674)</u>
Operating surplus before working capital changes	607 797	4 333 279
Working capital changes		
- decrease/(increase) in accounts receivable and advances to sub-projects	2 151 473	(941 160)
- (decrease)/increase accounts payable	<u>(456 873)</u>	<u>1 159 722</u>
Cash generated by operations	<u>2 302 397</u>	<u>4 551 841</u>

THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with 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.

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.

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

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.

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

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\$
2012			
- laptop	14 177	14 177	-
- HP printer	2 934	2 934	-
- Proline screen	1 135	1 135	-
- LCD screen	1 306	1 306	-
- Canon printer	1 800	1 800	-
- HP Laptop	13 895	13 895	-
- Nixon camera	8 480	8 480	-
- Adobe in design	15 769	15 769	-
2011			
- wall unit air conditioner	12 925	12 925	-
- Canon Probook	8 425	8 425	-
2010			
- office furniture (Cape Town)	50 821	50 821	-
- printer	5 667	5 667	-
- 3 x laptops	11 997	11 997	-
- 5 x LCD monitors	7 645	7 645	-

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

2. FURNITURE AND COMPUTER EQUIPMENT (continued)

<u>Acquired and expensed</u>	<u>Cost</u>	<u>Expensed</u>	<u>Carrying value</u>
	N\$	N\$	N\$
2009			
- 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	-
2008			
- 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	-
2007			
- 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	-
2006			
- 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	-
2005			
- Siemens laptop	20 072	20 072	-
2004			
- 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	2 621	2 621	-
	<u>647 255</u>	<u>647 255</u>	-

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	N\$	N\$
3. ACCUMULATED FUNDS		
Opening balance	7 459 197	3 056 555
Surplus for the year	<u>816 331</u>	<u>4 402 642</u>
Closing balance	<u>8 275 528</u>	<u>7 459 197</u>
<i>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.</i>		
4. TRADE AND OTHER RECEIVABLES		
Staff loans	4 686	7 740
Rent deposit – Cape Town office	1 500	1 500
Sundry receivables	<u>-</u>	<u>185 195</u>
	<u>6 186</u>	<u>194 435</u>
5. TRADE AND OTHER PAYABLES		
Funds received in advance	1 832 895	1 522 091
Trade accruals	<u>241 488</u>	<u>1 009 165</u>
	<u>2 074 383</u>	<u>2 531 256</u>
6. ADVANCES TO SUB-PROJECTS		
Small Grants x 8	-	753 958
Positive Living - Swaziland	-	348 656
Centre for the Development of People - Malawi	90 151	-
Women and Law in Southern Africa - Swaziland	-	247 109
Adventist Development and Relief Agency - Lesotho	-	358 396
Assaciaquo Muhler Leie Desenvolvimento - Mozambique	<u>-</u>	<u>345 256</u>
	<u>90 151</u>	<u>2 053 375</u>

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THE AIDS AND RIGHTS ALLIANCE FOR SOUTHERN AFRICA (ARASA) TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

6. **UNDERSPENDING ON BUDGET**

Due to the uncertainty of future funding and continues late receiving of committed funding, many budgeted activities were put on hold by ARASA in the current year.

The surplus of the current year allows ARASA to initiate activities sooner in the next financial year.

