



SOUTH AFRICAN NATIONAL AIDS TRUST

**FINANCIAL STATEMENTS OF SOUTH AFRICAN NATIONAL AIDS TRUST
for the year ended 31 March 2008**

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Approval of the Financial Statements

The Annual Financial Statements are approved by the Board of Trustees on 20 May 2008 and are signed on its behalf by:

MR T D MSELEKU
Accounting Authority for Board of Trustees
South African National Aids Trust
Date: 29/05/2008



SOUTH AFRICAN NATIONAL AIDS TRUST

REPORT OF THE BOARD OF TRUSTEES in respect of the year ended 31 March 2008

General Review

The Trust was established in September 2002. The deed stipulates that the Trust is to be controlled by a Board of Trustees who should administer all moneys obtained by way of donations, grants, loans, or subsidies in such a manner as to further the objective of the Trust subject to the terms of conditions of the Trust deed.

Financial result and state of affairs

The financial results for the year under review are reflected in the Income Statement and the financial position of the Fund at 31 March 2008 is set out in the Balance Sheet.

No material fact or circumstances have occurred between the Balance Sheet and date of this report.

Trustees

The members of the Board for 2007/08 were:

Mrs. P Mlambo-Ngcuka	Deputy President of Republic of South Africa
Dr ME Tshabalala-Msimang	Minister of Health
Dr ZST Skweyiya	Minister of Social Development
Mr. TD Mseleku	Director-General of Health
Dr N Xundu	Cluster Manager: HIV, AIDS and STI

MR TD MSELEKU
Accounting Authority for Board of Trustees



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE SOUTH AFRICAN NATIONAL AIDS TRUST FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the South African National Aids Trust which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 192 to 199.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as determined by the National Treasury, as set out in accounting policy note 2 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Deed of Trust. This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The Trust's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements.



Opinion

9. In my opinion, the financial statements present fairly in all material respects the financial position of the South African National Aids Trust as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as described in note 1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Deed of Trust.

OTHER MATTERS

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Matters of Governance

10. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. As indicated in paragraph 5 (page 118) of the accounting officers' report, SANAT was dormant during the year under review and no internal audit or audit committee activities were executed. As a result, the following key governance responsibilities were assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The trust had an audit committee in operation throughout the financial year.		✓
• The audit committee operates in accordance with approved, written terms of reference.		✓
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.		✓
Internal audit		
• The trust had an internal audit function in operation throughout the financial year.		✓
• The internal audit function operates in terms of an approved internal audit plan.		✓
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.		✓
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines section 40 of the PFMA for departments.	✓	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
• The prior year's external audit recommendations have substantially been implemented.		✓
• SCOPA resolutions have been substantially implemented.		✓

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

11. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

12. The accounting officer has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the South African National Aids Trust.



Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

Audit findings (performance information)

15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Non-compliance with regulatory requirements

16. The accounting officer of the Trust did not prepare a strategic plan that is consistent with the period covered by the medium term expenditure framework for approval by the relevant executive authority, as required by Treasury Regulation 5.1.1.

APPRECIATION

17. The assistance rendered by the staff of the South African National Aids Trust during the audit is sincerely appreciated.

Auditor-General

Pretoria

31 July 2008





SOUTH AFRICAN NATIONAL AIDS TRUST

STATEMENT OF FINANCIAL POSITION as at 31 March 2008

	Notes	2007/2008 R	2006/2007 R
Assets			
Current assets			
Receivables	5	-	399
Cash and cash equivalents	3	35,936,120	33,685,770
Lessor deposit receivable	4	32,358	32,358
Total assets		35,968,478	33,718,527
Net Assets & Liabilities			
Accumulated funds		35,968,478	33,718,527
Current liability			
Total Net Assets		35,968,478	33,718,527

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2008

	Note	2007/2008	2006/2007
		R	R
Income			
Interest received		2,251,202	1,169,990
Net income		2,251,202	1,169,990
Expenses			
Administrative	1	1,251	1,000,107
Net expenses		1,251	1,000,107
Net surplus		2,249,951	169,883



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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2008**

	2007/2008	2006/2007
	R	R
Accumulated funds at the beginning of the year	33,718,527	33,548,644
Net surplus for the year	2,249,951	169,883
	2,249,951	169,883
Accumulated funds at the end of the year	35,968,478	33,718,527



SOUTH AFRICAN NATIONAL AIDS TRUST

CASH FLOW STATEMENT for the year ended 31 March 2008

	Notes	2007/2008 R	2006/2007 R
Cash flows from operating activities			
Cash paid to suppliers and employees		852	1,000,107
Cash utilised in operations	2	(852)	(1,000,107)
Net cash from operating activities		(852)	(1,000,107)
Cash flows from investing activities			
Interest income		2,251,202	1,169,990
Net cash from investing activities		2,251,202	1,169,990
Net increase in cash and cash equivalents		2,250,350	169,883
Cash and cash equivalents at beginning of period		33,685,770	33,515,887
Cash and cash equivalents at end of period	3	35,936,120	33,685,770



SOUTH AFRICAN NATIONAL AIDS TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are as set out below and are consistent with those of the previous year. Any changes in accounting policies are disclosed in the notes to the financial statements.

2. Basis of preparation

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

Statement of GAAP

GRAP 1: Presentation of financial statements

AC101: Presentation of financial statements

GRAP 2: Cash flow statements

AC118: Cash flow statements

GRAP 3: Accounting policies, changes in accounting estimates and errors

AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

a. Terminology differences:

Standard of GRAP

Replaced Statement of GAAP

Statement of financial performance

Income statement

Statement of financial position

Balance sheet

Statement of changes in net assets

Statement of changes in equity

Net assets

Equity

Surplus / deficit for the period

Profit / loss for the period

Accumulated surplus / deficit

Retained earnings

Contributions from owners

Share capital

Distributions to owners

Dividends



Reporting date

Balance sheet date

- b. The cash flow statement can only be prepared in accordance with the direct method
- c. Specific information such as:
 - i) receivables from non - exchange transactions, including taxes and transfers;
 - ii) taxes and transfers payable;
 - iii) trade and other payables from non - exchange transactions;
must be presented separately on the statement of financial position
- d. The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 - 15 of GRAP has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non - disclosure will not affect fair presentation.

3. Trade debtors and other receivables

Accounts receivables are carried at fair value less provisions made for impairment in the fair value of these receivables. Where circumstances reveal doubtful recovery of amounts outstanding, a provision for impaired receivables is made and charged to the income statement.

4. Trade creditors and other payables

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

5. Revenue

Comprises of interest received on bank deposits. Interest is recognised using the effective interest rate.

6. Comparatives

Were necessary prior year comparative figures have been reclassified to conform to changes in presentation in the current year

7. Going concern

The financial position of the Trust is such that the Accounting Authority is of the view that its operations will continue for as long as its mandate remains.

8. Taxation

No provision for taxation is made because the Trust is exempt from income tax in terms of section 10(1) (cA). of the Income Tax Act, 1962 (Act No: 58 of 1962)



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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

	2007/2008	2006/2007
	R	R
1 Administrative expenses		
Bank charges	852	906
Irrecoverable Debt	399	-
World Aids Day	-	999,201
	<u>1,251</u>	<u>1,000,107</u>
2 Net Cash Flow Generated by Operating Activities		
Net Surplus as per Income Statement	2,249,951	169,883
Adjustment for:		
Non-Cash Items	399	-
Interest income	(2,251,202)	(1,169,990)
Operating surplus before working capital changes	<u>(852)</u>	<u>(1,000,107)</u>
Working capital changes:		
Increase / (decrease) in accounts payable	-	-
(Increase) / decrease in accounts receivable	-	-
Cash utilised in operations	<u>(852)</u>	<u>(1,000,107)</u>
3 Cash and Cash Equivalents		
Corporate Bank Account	35,936,120	33,685,770
	<u>35,936,120</u>	<u>33,685,770</u>
4 Trade and other receivables		
Deposit held by lessor	32,358	32,358
	<u>32,358</u>	<u>32,358</u>

This amount was required by the lessor as a deposit at the inception of the lease contract. It is repayable on 28 February 2006 at the end of the lease contract. The amount will only be deposited back into trust account under financial year 2008-09 when the account is in operation.



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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

5 Receivables

The amount incorrectly classified as fruitless expenditure from previous financial year. The correct classification is Debt.

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6 Financial instruments

Exposure to credit and interest rate risks arises in the normal course of the Trust's business.

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate	Non interest bearing	Total
Assets					
Trade receivables	-	-	-	32,358	32,358
Cash and Cash Equivalents	-	35,936,120	-	-	35,936,120



Addendum

The financial statements of the King George V Silver Jubilee Fund for Tuberculosis and the Commission for Compensation of Occupational Diseases will be reported on separately. These documents will be available from the Department of Health.













