

**ITHEMBA AIDS FOUNDATION  
FINANCIAL STATEMENTS**

**31 DECEMBER 2005**

**Charity Number 1092574**

# **ITHEMBA AIDS FOUNDATION**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2005**

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# **ITHEMBA AIDS FOUNDATION**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

**YEAR ENDED 31 DECEMBER 2005**

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### **Status**

ithemba AIDS Foundation is formed under a Declaration of Trust dated 4 March 2002. It is a registered charity, with charity number 1092574.

### **Trustees**

The Trustees have the power to appoint new or additional trustees and to remove any trustee provided the number of Trustees does not fall below a minimum of three. The Trustees who served during the year and since the year end were as follows:

A Davisson  
M Davisson  
S Wilsher  
P Kerridge  
D Palmer (resigned 14 December 2005)

### **Principal Address**

Widcombe Manor, Church Street, Bath, BA2 6AZ

### **Independent Examiner**

David Biddel, Chartered Accountant, Thornton House, Richmond Hill, Clifton, Bristol BS8 1AT

### **Bankers**

Natwest, PO Box 7, 1 Prospect Hill, Douglas, Isle of Man IM99 1AQ

# **ITHEMBA AIDS FOUNDATION**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2005**

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The Trustees have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31 December 2005.

### **Objects of the charity**

The objects of the charity are:

- To promote and advance the Christian religion
- The relief of financial hardship of orphans due to HIV/AIDS
- The relief of sickness due to AIDS
- To advance the sexual education of persons living in communities affected by HIV/AIDS

### **Investment powers**

The Declaration of Trust places no restrictions on the investment powers of the Trustees.

### **Review of activities and future developments**

This year iThemba AIDS Foundation received donations of £387,825 from various individuals.

iThemba made grants totalling £150,753 to organisations involved in HIV/AIDS projects providing orphan care, home-based care or HIV/AIDS education.

iThemba supports local church-based, community-oriented initiatives in developing countries and as these responses develop we anticipate our grant level to increase over the coming years.

The board of trustees meet about 4 times a year to analyse current projects and consider new applications for funding. Andrew Davisson acts as treasurer for the charity and is responsible for investing the assets. The assets are kept on deposit in Pound Sterling. The trustees have also established a Project Management Sub-Committee who meet once a month to assess new project applications, monitor projects in the application process and agree the funding of new projects.

### **Reserves policy**

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the charity should be equivalent to at least 3 months of resources expended, which equates to £70,000. At this level the board of Trustees feels that it would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed accordingly should such an event occur. At the balance sheet date free reserves amounted to £155,618.

### **Investment policy**

It is envisaged that the assets will remain on short-term deposit until the charity experiences a significant increase in funding.

### **Members of the board of Trustees**

The Trustees who served during the year and up to the date of this report are set out on page 1.

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# **ITHEMBA AIDS FOUNDATION**

## **REPORT OF THE TRUSTEES (*CONTINUED*)**

**YEAR ENDED 31 DECEMBER 2005**

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### **Responsibilities of the Trustees**

In accordance with charity law, the Trustees are responsible for preparing statements of accounts for each financial year.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to both ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law, regulations and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities".

Registered office:

Widcombe Manor  
Church Street  
Bath  
Avon  
BA2 6AZ

Signed by order of the Trustees

M Davisson  
Secretary

Approved by the Trustees on 15 August 2006.

# **ITHEMBA AIDS FOUNDATION**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2005**

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We have audited the financial statements on pages 8 to 13, which have been prepared in accordance with the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS**

The Trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and International Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 4.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **ITHEMBA AIDS FOUNDATION**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2005**

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### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2005 and of its incoming resources and application of resources for the year then ended, and have been properly prepared in accordance with the Charities Act 1993.

Thornton House  
Richmond Hill  
Clifton  
Bristol BS8 1AT

BURTON SWEET  
Chartered Accountants  
& Registered Auditors

29 August 2006

**ITHEMBA AIDS FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2005**

	Note	Year to 2005 £	Year to 2004 £
<b>Incoming resources</b>			
Donations	2	387,826	234,374
<i>Activities in furtherance of charity's objects</i>			
Interest receivable		616	736
<b>Total incoming resources</b>		<u>388,442</u>	<u>235,110</u>
<b>Resources expended</b>			
<i>Charitable expenditure</i>			
Cost of activities in support of charity's objects	3	252,816	226,179
Support costs	4	13,071	19,339
Management and administration	5	11,897	9,369
<b>Total resources expended</b>		<u>277,784</u>	<u>254,887</u>
<b>Net incoming/(outgoing) resources</b>		110,658	(19,777)
<b>Total funds at 1 January 2005</b>		44,960	64,737
<b>Total funds at 31 December 2005</b>		<u>155,618</u>	<u>44,960</u>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All movements are in unrestricted funds.

All of the activities of the charity are classed as continuing.

**The notes on pages 8 to 11 form part of these financial statements**

# ITHEMBA AIDS FOUNDATION

## BALANCE SHEET

YEAR ENDED 31 DECEMBER 2005

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	Note	2005 £	2004 £
<b>Current Assets</b>			
Debtors	9	33,343	34,913
Cash at bank		<u>123,525</u>	<u>30,634</u>
		156,868	65,547
<b>Creditors : Amounts falling due within one year</b>	10	<u>(1,250)</u>	<u>(20,587)</u>
Net Current Assets		155,618	44,960
<b>Net assets</b>		<u><u>155,618</u></u>	<u><u>44,960</u></u>
<b>Unrestricted funds</b>			
General funds	11	<u><u>155,618</u></u>	<u><u>44,960</u></u>

These financial statements were approved by the Trustees on 15 August 2006, and are signed on their behalf by:

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A Davisson

The notes on pages 8 to 11 form part of these financial statements

**ITHEMBA AIDS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**1 Accounting policies**

- a) The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and reporting by Charities, issued in October 2000.
- b) Income from donations is included in incoming resources when these are receivable, except as follows:
- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.
- c) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered
- d) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- e) Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.
- f) Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.
- g) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the management committee.

**2 Donations**

	<b>Year to 2005 £</b>	Year to 2004 £
Donations	349,525	232,159
Engage	33,899	2,215
Church education	3,882	-
Education	225	-
Plain Truth magazine	295	-
	<u>387,826</u>	<u>234,374</u>

**ITHEMBA AIDS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**3 Cost of activities in furtherance of the charity's objects**

	<b>Year to 2005 £</b>	Year to 2004 £
55 institutional grants paid	150,753	158,420
Engage	17,849	3,009
Wages and salaries	82,014	61,122
Leaflets promoting awareness	2,200	3,628
	<u>252,816</u>	<u>226,179</u>

**4 Support costs**

	<b>Year to 2005 £</b>	Year to 2004 £
Education	1,383	3,547
Accommodation and travel	-	789
Support costs	-	6,378
SA Support	4,730	141
UK Support	3,465	1,245
General expenses	3,493	7,239
	<u>13,071</u>	<u>19,339</u>

**5 Management and administration**

	<b>Year to 2005 £</b>	Year to 2004 £
Office costs	9,626	8,527
Bank charges	821	588
Stationery	-	-
Website design	-	-
Exchange rate differences	-	(445)
Accountancy fees	1,450	699
	<u>11,897</u>	<u>9,369</u>

# ITHEMBA AIDS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2005

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#### 6 Net incoming resources for the year

This is stated after charging:

	Year to 2005 £	Year to 2004 £
Independent Examiner's fee	-	699
Auditor's remuneration	1,250	-
Trustees' remuneration	-	-
Reimbursement of trustees' expenses	-	-
	<u>          </u>	<u>          </u>

#### 7 Staff costs and numbers

	Year to 2005 £	Year to 2004 £
Wages and Salaries	69,057	45,588
Employers National Insurance	12,957	15,534
	<u>82,014</u>	<u>61,122</u>

No employee was paid more than £50,000

#### 8 Taxation

The charity is exempt from corporation tax on its charitable activities.

#### 9 Debtors

	Year to 2005 £	Year to 2004 £
Prepaid donations made	33,343	34,913
Gift aid debtor	-	-
	<u>33,343</u>	<u>34,913</u>

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**ITHEMBA AIDS FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

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**10 Creditors: amounts falling due within one year**

	<b>Year to 2005 £</b>	Year to 2004 £
Accruals	1,250	587
Deferred income	-	20,000
	<u>1,250</u>	<u>20,587</u>

Deferred income in 2004 represents a donation received in the 2004 financial year that relates to the 2005 financial year.

**11 Movement in funds**

	<b>At 01-Jan 2005 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>At 31-Dec 2005 £</b>
<b>Unrestricted funds</b>					
General funds	44,960	388,442	(277,784)	-	155,619
	<u>44,960</u>	<u>388,442</u>	<u>(277,784)</u>	<u>-</u>	<u>155,619</u>

**12 Analysis of net assets between funds**

	<b>Tangible Fixed assets £</b>	<b>Other Net assets £</b>	<b>Total £</b>
<b>Unrestricted funds</b>	-	155,618	155,618
	<u>-</u>	<u>155,618</u>	<u>155,618</u>