

**SOUTH AFRICAN NATIONAL AIDS TRUST**  
**CASH FLOW STATEMENT**  
**for the year ended 31 March 2007**

	Notes	2006/2007 R	2005/2006 R
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		1,000,107	639,328
Cash utilised in operations	2	(1,000,107)	(639,328)
<b>Net cash from operating activities</b>		<b>(1,000,107)</b>	<b>(639,328)</b>
<b>Cash flows from investing activities</b>			
Interest income		1,169,990	812,876
<b>Net cash from investing activities</b>		<b>1,169,990</b>	<b>812,876</b>
Net increase in cash and cash equivalents		169,883	173,548
Cash and cash equivalents at beginning of period		33,515,887	33,342,339
<b>Cash and cash equivalents at end of period</b>	3	<b>33,685,770</b>	<b>33,515,887</b>

**SOUTH AFRICAN NATIONAL AIDS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**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**

GRAP 1: Presentation of financial statements

GRAP 2: Cash flow statements

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

**Statement of GAAP**

AC101: Presentation of financial statements

AC118: Cash flow statements

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**

Statement of financial performance

Statement of financial position

Statement of changes in net assets

Net assets

Surplus / deficit for the period

Accumulated surplus / deficit

Contributions from owners

Distributions to owners

Reporting date

**Replaced Statement of GAAP**

Income statement

Balance sheet

Statement of changes in equity

Equity

Profit / loss for the period

Retained earnings

Share capital

Dividends

Balance sheet date

b. The cash flow statement can only be prepared in accordance with the direct method

**SOUTH AFRICAN NATIONAL AIDS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

- 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)

**SOUTH AFRICAN NATIONAL AIDS TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2007**

	2006/2007	2005/2006
	R	R
<b>1 Administrative expenses</b>		
Bank charges	906	900
Interest paid		2,211
Water & Electricity		152,878
World Aids Day	999,201	
	<u>1,000,107</u>	<u>155,989</u>
<b>2 Net Cash Flow Generated by Operating Activities</b>		
Net Surplus as per Income Statement	169,883	264,919
Adjustment for:		
Interest income	(1,169,990)	(812,876)
Operating surplus before working capital changes	<u>(1,000,107)</u>	<u>(547,957)</u>
Working capital changes:		
Increase / (decrease) in accounts payable		(90,972)
(Increase) / decrease in accounts receivable		(399)
Cash utilised in operations	<u><b>(1,000,107)</b></u>	<u><b>(639,328)</b></u>
<b>3 Cash and Cash Equivalents</b>		
Corporate Bank Account	33,685,770	33,515,887
	<u>33,685,770</u>	<u>33,515,887</u>
<b>4 Trade and other receivables</b>		
Deposit held by lessor	32,358	32,358
	<u><b>32,358</b></u>	<u>32,358</u>



**SOUTH AFRICAN NATIONAL AIDS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

5 Operating leases

Leases where a significant portion of the risks and rewards of ownership of the assets are retained by the lessor are classified as operating leases. The difference between the lease rentals recognised in the statement of financial performance and the fair value of the consideration paid was recognised as an asset or liability in the statement of financial position. Payments made under operating leases were charged to the statement of financial performance on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty was recognised as an expense in the period in which termination takes place.

Leases as lessee

Non-cancellable operating lease rentals were payable as follows:

	2006/07	2005/06
Less than one year		391,968
Between one and five years	-	-
More than five years	-	-
	-	391,968
	-	391,968

The Trust did lease it's offices under an operating lease. The lease was for a period of three years, with an option to renew the lease after that date. However the lease expired on the 28 February 2006 and the trustees decided not to exercise their option to renew the contract.

Lease rentals had an annual escalation of 10%.



**SOUTH AFRICAN NATIONAL AIDS TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

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
<b>Assets</b>					
Trade receivables	-	-	-	32,757	32,757
Cash and Cash Equivalents	3	33,685,770	-	-	33,685,770

7 Change in accounting policy

The Trust has applied the requirements of International Accounting Standard (IAS)17 on Leases. In prior years the amount of rentals paid in cash for a specific year was recognised as an expense in the statement of financial performance. The adoption of IAS17 has resulted in lease payments being recognised as a expense on a straight-line basis over the lease term. Comparative amounts have been restated accordingly. The effect of the change in accounting policy on the financial statements was disclosed below;

	2006/2007	2005/2006
Decrease in lease rental expense for the year		(2,260)
Increase in the net surplus for the year		2,260
Decrease in opening balance of accumulated funds		-



**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**

**ANNUAL FINANCIAL STATEMENTS OF THE KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS  
for the year ended 30 June 2007**

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Approval of the Financial Statements

The financial statements set out on pages 173 to 177 are hereby approved.

**DR TSHABALALA-MSIMANG**  
**for BOARD OF TRUSTEES: KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**Date: 09/08/2007**



**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS  
REPORT OF THE BOARD OF TRUSTEES  
in respect of the year ended 30 June 2007**

**General review**

The Fund was established in 1935. The Trust deed stipulates that the Fund is to be controlled by a Board of Trustees and only the interest earned on capital invested may be used to make grants to suitable institutions.

The trustees pursue a policy of investing in long-term, income-producing assets in order to accomplish the objective of the trust fund. The trust funds are mainly invested at the Public Investment Commissioner.

**Financial result and state of affairs**

The financial results for the year under review are reflected in the Statement of Financial Performance and the financial position of the Fund at 30 June 2007 is set out in the Statement of Financial Position.

No material fact or circumstances have occurred between the Statement of Financial position and the date of this report.

**Distributions to beneficiaries**

The trustees have not distributed income to beneficiaries during the reporting year to ensure an increase in the accumulated funds that will consequently result in an increase in future interest earnings.

**Trustees**

The current members of the Board are:

Dr M E Tshabalala-Msimang	Minister of Health
Mr TD Mseleku	Director-General of Health
Justice P Langa	Chief Justice of South Africa
Dr J S Loubser	Medical Association of South Africa
Prof J Myers	University of Cape Town: Medical School
Dr NL Becker	Chairman of the Natal Anti-Tuberculosis Association

Signed on behalf of the Board of Trustees:  
King George V Silver Jubilee Fund for Tuberculosis.



**DR TSHABALALA-MSIMANG**  
**BOARD OF TRUSTEES: KING GEORGE V SILVER**  
**JUBILEE FUND FOR TUBERCULOSIS**  
**Date: 09/08/2007**



**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT  
ON THE FINANCIAL STATEMENTS AND PERFORMANCE  
INFORMATION FOR THE KING GEORGE V SILVER JUBILEE  
FUND FOR TUBERCULOSIS YEAR ENDED 30 JUNE 2007.**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of The King George V Silver Jubilee Fund for Tuberculosis which comprise the statement of financial position as at 30 June 2007, 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 173 to 177.

**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 modified cash basis of accounting determined by the National Treasury 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), 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 647 of 2007*, issued in *Government Gazette No.29919 of 25 May 2007*.

Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 described in note 1 to the financial statements.

**Audit Opinion**

9. In my opinion, the financial statements present fairly in all material respects the financial position of The King George V Silver Jubilee Fund for Tuberculosis as at 30 June 2007 and its financial performance and cash flow for the year then ended, in accordance with the basis of accounting by the National Treasury of South Africa, 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

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

### 10. Matters of governance

#### 10.1 Operational activities of the trust

The limited operation of the Trust as reported in the previous financial year is unchanged. This resulted in The King George V Silver Jubilee Fund for Tuberculosis not fulfilling its mandate to provide for the maintenance of the dependants of tuberculosis sufferers while the latter are under treatment in any hospital, nursing home or other institution.

In addition no trustee meetings were held during the year as required by the Deed of Trust.

#### 10.2 Going Concern

Due to limited operation of the Trust the Board of Trustees is considering dissolving the Trust as reported in note 3 to the annual financial statements.

## OTHER REPORTING RESPONSIBILITIES

### Reporting on Performance Information

11. The King George V Silver Jubilee Fund for Tuberculosis has not reported performance information against predetermined objectives as required by section 40(3) (a) of the PFMA.

### Responsibility of the Accounting Officer

12. The Accounting Officer has additional responsibilities as required by section 40 (3) (a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of The King George V Silver Jubilee Fund for Tuberculosis.

### Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

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.

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

### Audit findings

16. There were limited operations undertaken because the Trust is in the process of being dissolved. Therefore the Trust was unable to provide performance information for audit purposes.

### APPRECIATION

17. The assistance rendered by the staff of The King George V Silver Jubilee Fund for Tuberculosis during the audit is sincerely appreciated.



JR Aguma for Auditor-General  
Pretoria  
Date: 10 September 2007





**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 30 June 2007

	2006/07	2005/06
	R	R
REVENUE		
Interest received	52,621	37,966
EXPENDITURE		
Sundry expenses	3,348	909
NETT SURPLUS FOR THE YEAR	<u>49,273</u>	<u>37,057</u>





**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2007**

	2006/07	2005/06
	R	R
<b>ASSETS</b>		
Current assets		
Investments	647,854	600,064
Accrued income	4,660	3,177
<b>NET ASSETS</b>	<u>652,514</u>	<u>603,241</u>
<b>EQUITY</b>		
Capital and reserves		
Capital fund	286,789	286,789
Accumulated funds	365,725	316,452
<b>Total equity</b>	<u>652,514</u>	<u>603,241</u>





**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 30 June 2007

	2006/07	2005/06
	R	R
Balance at 1 July	603,241	566,184
Net surplus for the period	49,273	37,057
Balance at 30 June	<u>652,514</u>	<u>603,241</u>





**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**CASH FLOW STATEMENT**  
for the year ended 30 June 2007

	Note	2006/07	2005/06
		R	R
Cash flows from operating activities			
Interest received		52,621	37,966
Change in non-cash items (interest accrued)		-1,482	-424
Sundry expenses		-3,348	-909
		<hr/>	<hr/>
Net cash flow from operating activities		47,791	36,633
		<hr/>	<hr/>
Net increase in cash and cash equivalents		47,791	36,633
		<hr/>	<hr/>
Cash and cash equivalents at beginning of period		600,064	563,431
		<hr/>	<hr/>
Cash and cash equivalents at end of period	2	<u>647,855</u>	<u>600,064</u>





**KING GEORGE V SILVER JUBILEE FUND FOR TUBERCULOSIS**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2007**

**1 Accounting policies**

The fund's financial statements have been prepared on the cash accounting cost basis. These policies are, in all material respects, consistent with those applied in the previous financial year.

The principal accounting policies of the fund are as follows:

*1.1 Investments*

Investments are stated at cost. In case of a decline in the value of the investment the carrying value will be used to disclose the effect of the devaluation/decline in value.

*1.2 Interest*

Interest earned is recognised on the accrual basis.

*1.3 Donations received*

Donations received are not recognised in the income statement but are regarded as part of capital of the Capital Fund.

**2 Investments**

	<b>2006/07</b>	<b>2005/06</b>
	<b>R</b>	<b>R</b>
Investments held at cost are:		
Corporation for Public Deposits	6,038	5,558
Public Investment Commissioners	641,817	594,506
	<u>647,855</u>	<u>600,064</u>

**3 Other**

The Legal Unit has been requested to look into the dissolution of the Trust.

