

**Activists Networking against the Exploitation of Children
(Non-Profit Organisation number 025-946-NPO)
Annual financial statements
for the year ended 31 December 2011**

Activists Networking against the Exploitation of Children Annual Financial Statements for the year ended 31 December 2011

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The reports and statements set out below comprise the annual financial statements presented to the members:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Independent Auditor's Report

To the members of Activists Networking against the Exploitation of Children

We have audited the annual financial statements of Activists Networking against the Exploitation of Children, which comprise the Management Committee Report, statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the management committee's report, as set out on pages 5 to 14.

Management Committee's Responsibility for the Annual Financial Statements

The organisation's management committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 that the annual financial statements are free from 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 auditor considers 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 internal 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 for our qualified audit opinion.

Independent Auditor's Report

Basis for Qualification - Initial balances

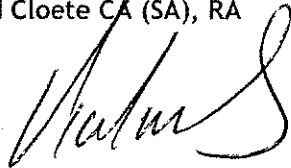
The 31 December 2011 year end was our first engagement. We did not audit or review the opening balances, therefore we do not express an opinion thereon.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualification paragraph, the annual financial statements present fairly, in all material respects, the financial position of Activists Networking against the Exploitation of Children as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

Nolands Inc
Registered Auditors
Practice Number: 900583e
Per: Ferdinand Cloete CA (SA), RA

Cape Town
29 June 2012



Activists Networking against the Exploitation of Children

Annual Financial Statements for the year ended 31 December 2011

Management Committee's Responsibilities and Approval

The management committee is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The management committee acknowledge that it is ultimately responsible for the system of internal financial control established by the management committee and place considerable importance on maintaining a strong control environment. To enable the management committee to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. Those standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 2 and 3.

The annual financial statements set out on pages 5 to 15, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:



Caroline Davids - Chairperson



Virginia Brookes - Treasurer

Cape Town
29 June 2012

Activists Networking against the Exploitation of Children Annual Financial Statements for the year ended 31 December 2011

Management Committee's Report

The management committee submit its report for the year ended 31 December 2011.

1. Review of activities

Main business and operations

The organisation is engaged in the protection of children from all forms of exploitation and operates in the Western Cape with offices in Cape Town, Beaufort West and Murraysburg.

The operating results and state of affairs of the organisation are fully set out in the attached annual financial statements and do not in their opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The management committee is not aware of any matter or circumstance of a material nature arising since the end of the financial year.

4. Management Committee

The management committee members of the organisation during the year and to the date of this report are as follows:

Name	Changes
Caroline Davids - Chairperson	
Virginia Brookes - Treasurer	
Zulpha Khan - Member	
Daksha Kassan - Member	
Chance Chagunda - Member	
Carol Bower - Acting Director	
Julayga Alfred - Director	Resigned 31 August 2011

5. Country of incorporation

Activists Networking against the Exploitation of Children is a Non-Profit Organisation incorporated in South Africa.

6. Auditors

Nolands Inc will continue in office in accordance with the organisation's constitution.

7. Property, plant and equipment

There have been no major changes in the property, plant and equipment of the organisation during the year under review, other than those reflected in the attached annual financial statements.

8. Registered office

The organisation's registered office is as follows:

9 Saartjie Baartman Building
Klipfontein Road
Manenberg
7764

**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Statement of Financial Position

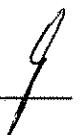
Figures in Rand	Note(s)	2011	2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	<u>171,337</u>	<u>254,221</u>
CURRENT ASSETS			
Trade and other receivables	3	2,601	55,154
Cash and cash equivalents	4	<u>652,182</u>	<u>949,145</u>
		654,783	1,004,299
TOTAL ASSETS		<u>826,120</u>	<u>1,258,520</u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated funds		<u>797,132</u>	<u>1,227,551</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	<u>28,988</u>	<u>30,969</u>
TOTAL FUNDS AND LIABILITIES		<u>826,120</u>	<u>1,258,520</u>



**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Donations funding	6	1,512,754	2,496,226
Operating expenses		(1,953,717)	(1,898,523)
Operating (deficit) / surplus	7	(440,963)	597,703
Investment revenue	8	10,544	3,402
(Deficit) / surplus before taxation		(430,419)	601,105
Taxation	9	-	-
(Deficit) / surplus for the year		(430,419)	601,105
Other comprehensive income		-	-
Total comprehensive income for the year		(430,419)	601,105



**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Statement of Changes in Funds

Figures in Rand	Accumulated funds	Total funds
Balance at 01 January 2010	626,446	626,446
Changes in equity		
Total comprehensive income for the year	601,105	601,105
Total changes	601,105	601,105
Balance at 01 January 2011	1,227,551	1,227,551
Total comprehensive loss for the year	(430,419)	(430,419)
Balance at 31 December 2011	797,132	797,132



**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash generated / (used) in operations	10	(299,975)	855,548
Interest income		10,544	3,402
Net cash from operating activities		(289,431)	858,950
Cash flows from investing activities			
Additions to property, plant and equipment	2	(16,699)	(262,958)
Proceeds on disposal of property, plant and equipment	2	9,167	-
Net cash from investing activities		(7,532)	(262,958)
Net cash movement for the year		(296,963)	595,992
Cash and cash equivalents at the beginning of the year		949,145	353,153
Total cash and cash equivalents at end of the year	4	652,182	949,145

Activists Networking against the Exploitation of Children Annual Financial Statements for the year ended 31 December 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Underlying concepts

Changes in accounting policies are accounted for in accordance with the transitional provisions in the applicable standard. Where no such provision exists, these changes are applied retrospectively, unless it is impractical to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit or loss.

Prior period errors are retrospectively restated unless it is impractical to do so, in which case they are applied prospectively.

Accounting policies are not applied when the effect of applying them is immaterial.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fittings	6 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years
Computer software	2 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Activists Networking against the Exploitation of Children Annual Financial Statements for the year ended 31 December 2011

Accounting Policies

1.3 Financial instruments (Basic Instruments)

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave and bonuses), are recognised in the period in which the service is rendered and are not discounted.

1.5 Income

Donations are recorded as income when they are received, or when it becomes due in terms of the contractual agreement.

Donations in kind are recorded at fair market value when they are received.

Interest is recognised using the effective interest rate method.

Grants and general funding is recognised when the organisation's right to the receipt thereof is established.

**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Notes to the Annual Financial Statements

Figures in Rand 2011 2010

2. Property, plant and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	43,289	(21,139)	22,150	40,789	(14,135)	26,654
Motor vehicles	100,262	(29,918)	70,344	99,298	(9,930)	89,368
Office equipment	111,071	(48,635)	62,436	99,836	(25,407)	74,429
Computer equipment	93,212	(76,806)	16,406	120,121	(64,370)	55,751
Computer software	16,038	(16,037)	1	16,038	(8,019)	8,019
Total	363,872	(192,535)	171,337	376,082	(121,861)	254,221

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Adjustments relating to prior period	Depreciation	Total
Furniture and fittings	26,654	2,500	-	(7,004)	22,150
Motor vehicles	89,368	964	-	(19,988)	70,344
Office equipment	74,429	11,236	-	(23,229)	62,436
Computer equipment	55,751	1,999	(9,167)	(32,177)	16,406
Computer software	8,019	-	-	(8,018)	1
	254,221	16,699	(9,167)	(90,416)	171,337

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	33,449	-	(6,795)	26,654
Motor vehicles	-	99,298	(9,930)	89,368
Office equipment	15,577	78,432	(19,580)	74,429
Computer equipment	21,461	69,190	(34,900)	55,751
Computer software	-	16,038	(8,019)	8,019
	70,487	262,958	(79,224)	254,221

3. Trade and other receivables

Trade receivables	-	9,554
Value-added taxation	2,601	-
Other receivables	-	45,600
	2,601	55,154

**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,390	1,632
Bank balances	269,660	781,530
Short-term deposits	381,132	165,983
	<u>652,182</u>	<u>949,145</u>
5. Trade and other payables		
Trade payables	2,863	10,018
Value-added taxation	-	2,311
Accrued leave pay	26,125	18,640
	<u>28,988</u>	<u>30,969</u>
6. Donation funding		
International Organisation for Migration	182,400	547,200
Terre des hommes schweiz (tdh-ch)	374,938	374,978
Department of Social Development	503,170	252,768
Community Chest	19,500	24,000
United Nations Office on Drugs and Crime	44,300	217,207
National Lottery Development Trust Fund	274,351	776,191
SANTAC	-	546
Other local donations	107,552	179,343
African Women's Development Fund	-	28,992
Donations in kind	6,543	95,000
	<u>1,512,754</u>	<u>2,496,225</u>
7. Operating loss		
Operating (deficit) / surplus for the year is stated after accounting for the following:		
Operating lease charges		
• Premises	54,726	36,011
	<u>54,726</u>	<u>36,011</u>
Depreciation on property, plant and equipment	90,415	79,224
Employee costs	1,125,974	1,071,407
	<u>1,216,390</u>	<u>1,150,631</u>
8. Investment revenue		
Bank	10,544	3,402
	<u>10,544</u>	<u>3,402</u>
9. Taxation		

No provision for 2012 taxation has been made as the association is exempted from income tax, in terms of Section 30 of the Income Tax Act.

**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
10. Cash used in operations		
(Defici) / surplus for the year	(430,419)	601,105
Adjustments for:		
Depreciation	90,415	79,224
Interest received	(10,544)	(3,402)
Changes in working capital:		
Trade and other receivables	52,554	172,044
Trade and other payables	(1,981)	6,577
	<u>(299,975)</u>	<u>855,548</u>
11. Auditors' remuneration		
Fees	<u>32,000</u>	<u>30,000</u>
12. Directors' emoluments		
Executive		
For services as directors	<u>275,656</u>	<u>257,753</u>



**Activists Networking against the Exploitation of Children
Annual Financial Statements for the year ended 31 December 2011**

Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Income			
Donation funding	6	1,405,202	2,316,883
Other local donations	6	107,552	179,343
Interest received	8	10,544	3,402
		<u>1,523,298</u>	<u>2,499,628</u>
Operating expenses			
Accounting fees		4,570	930
Advertising		268	5,744
Auditors' remuneration	11	32,000	30,000
Bank charges		8,840	8,628
Cleaning		10,235	16,073
Computer expenses		24,651	12,676
Consulting and professional fees		28,401	16,500
Depreciation		90,415	79,224
Employee costs		1,125,974	1,071,407
Entertainment		4,658	13,042
Fines and penalties		5,075	650
Insurance		24,878	15,877
Lease rentals on operating lease		54,726	36,011
Legal expenses		21,732	-
Loss through theft		-	200
Motor vehicle expenses		23,963	11,803
Postage		3,429	2,765
Printing and stationery		42,765	36,037
Project costs		153,498	197,005
Relocation Costs		-	14,000
Repairs and maintenance		572	16,713
Sports equipment		5,889	-
Staff welfare		11,809	19,506
Subscriptions		10,502	7,651
Telephone and fax		83,787	96,837
Training		37,728	28,076
Travel - local		143,352	161,168
		<u>1,953,717</u>	<u>1,898,523</u>
(Deficit) / surplus for the year		<u>(430,419)</u>	<u>601,105</u>