

ACTIVISTS NETWORKING AGAINST THE EXPLOITATION OF CHILD DOMESTIC WORKERS

(Registration number 025-946-NPO)

**Annual financial statements
for the year ended 31 January 2008**

GJ Elliott and Associates
Chartered Accountants (S.A.)
Registered Auditors
Issued 08 April 2008

Activists Networking against the Exploitation of Child Domestic Workers

(Registration number 025-946-NPO)

Annual Financial Statements for the year ended 31 January 2008

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To create awareness about the exploitation of child domestic workers
Management Committee	Patric Solomon Sydda Essop Prakashnee Govender Chance Chagunda Julayga Alfred
Registered office	70 Simon's Town Road FISH HOEK 7974
Postal address	PO Box 40 ATHLONE 7760
Auditors	GJ Elliott and Associates Chartered Accountants (S.A.) Registered Auditors
Company registration number	025-946-NPO

Activists Networking against the Exploitation of Child Domestic Workers

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

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G J ELLIOTT and ASSOCIATES

Chartered Accountants (SA)
Registered Auditors

Report of the Independent Auditors

To the members of Activists Networking against the Exploitation of Child Domestic Workers

We have audited the accompanying annual financial statements of Activists Networking against the Exploitation of Child Domestic Workers, which comprise the management committee's report, the balance sheet as at 31 January 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 12.

Scope

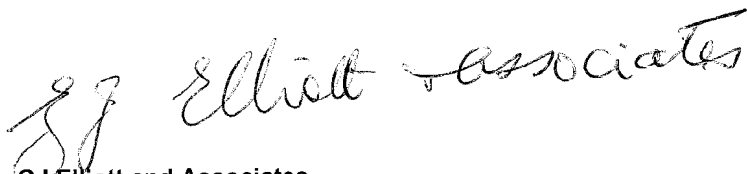
We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the organisation as of 31 January 2008, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and express no opinion thereon.



GJ Elliott and Associates
Registered Auditors
Chartered Accountants (SA)

08 April 2008

Fish Hoek

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Management Committee's Responsibilities and Approval

The committee is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation 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 South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The committee acknowledges that it is ultimately responsible for the system of internal financial control established by the organisation and places considerable importance on maintaining a strong control environment. To enable it to meet these responsibilities, the committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The 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 appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The 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 committee has reviewed the organisation's cash flow forecast for the year to 31 January 2009 and, in the light of this review and the current financial position, is satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

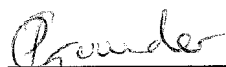
Although the committee is primarily responsible for the financial affairs of the organisation, it is supported by the organisation's external auditors.

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

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the committee on 08 April 2008 and were signed on its behalf by:



Member



Member Prakesinee Govender

Fish Hoek

08 April 2008

Activists Networking against the Exploitation of Child Domestic Workers

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Management Committee's Report

The management committee submits its report for the year ended 31 January 2008.

1. Review of activities

Main business and operations

The organisation is engaged in the creating of awareness of the exploitation of child domestic workers and operates in South Africa.

During the year there were no major changes in the activities of the organisation.

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

The net loss of the organisation was R 121 680 (2007: loss R 24 073), after taxation of R - (2007: R -).

2. Post balance sheet events

The management committee is not aware of any matter or circumstance, material to the appreciation of these financial statements, which has arisen since the end of the financial year.

3. Management Committee members

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

<u>Name</u>	<u>Position</u>
Patric Solomon	Chair
Syddha Essop	Vice
Prakashnee Govender	Treasurer
Chance Chagunda	Member
Julayga Alfred	Director

4. Auditors

GJ Elliott and Associates will continue in office in the ensuing financial year.

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Annual Financial Statements for the year ended 31 January 2008

Balance Sheet

Figures in Rand	Note(s)	2008	2007
Assets			
Non-Current Assets			
Property, plant and equipment	2	5 206	10 609
Current Assets			
Cash and cash equivalents	3	9 313	113 760
Total Assets		14 519	124 369
Equity and Liabilities			
Equity			
Accumulated loss		(413)	121 267
Liabilities			
Current Liabilities			
Trade and other payables	4	14 932	3 102
Total Equity and Liabilities		14 519	124 369

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Annual Financial Statements for the year ended 31 January 2008

Income Statement

Figures in Rand	Note(s)	2008	2007
Donations - foreign		325 381	405 320
Donations - local		44 000	8 000
Operating expenses		(491 380)	(435 662)
Operating loss	5	(121 999)	(22 342)
Investment revenue		319	210
Finance costs	6	-	(1 941)
Loss for the period		(121 680)	(24 073)

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Annual Financial Statements for the year ended 31 January 2008

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 February 2006	-	145 340	145 340
Changes in equity		(24 073)	(24 073)
Loss for the year		(24 073)	(24 073)
Total changes	-	(24 073)	(24 073)
Balance at 01 February 2007	-	121 267	121 267
Changes in equity		(121 680)	(121 680)
Loss for the year		(121 680)	(121 680)
Total changes	-	(121 680)	(121 680)
Balance at 31 January 2008	-	(413)	(413)

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Annual Financial Statements for the year ended 31 January 2008

Cash Flow Statement

Figures in Rand	Note(s)	2008	2007
Cash flows from operating activities			
Cash used in operations	7	(104 766)	(19 044)
Interest income		319	210
Finance costs		-	(1 941)
Net cash from operating activities		(104 447)	(20 775)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(12 344)
Total cash movement for the period		(104 447)	(33 119)
Cash at the beginning of the period		113 760	146 879
Total cash at end of the period	3	9 313	113 760

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Annual Financial Statements for the year ended 31 January 2008

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 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 organisation; and
- the cost of the item can be measured reliably.

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.

Assets less than R3,000 in value are written off in the year of purchase.

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

Item	Average useful life
Office equipment	3 years
IT equipment	3 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

The depreciation charge for each period is recognised in profit or loss.

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.

1.2 Financial instruments

Initial recognition

The organisation 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.

Financial assets and financial liabilities are recognised on the organisation's balance sheet when the organisation becomes party to the contractual provisions of the instrument.

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.

1.3 Revenue

Interest is recognised, in profit or loss, as and when earned.

Donations are recorded as and when received.

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Annual Financial Statements for the year ended 31 January 2008

Notes to the Annual Financial Statements

Figures in Rand 2008 2007

2. Property, plant and equipment

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Office equipment	1 934	(1 933)	1	1 934	-	1 934
IT equipment	15 409	(10 204)	5 205	15 409	(6 734)	8 675
Total	17 343	(12 137)	5 206	17 343	(6 734)	10 609

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Depreciation	Total
Office equipment	1 934	(1 933)	1
IT equipment	8 675	(3 470)	5 205
	10 609	(5 403)	5 206

Reconciliation of property, plant and equipment - 2007

	Opening Balance	Additions	Depreciation	Total
Office equipment	-	1 934	-	1 934
IT equipment	-	10 410	(1 735)	8 675
	-	12 344	(1 735)	10 609

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	906	444
Bank balances	8 407	113 316
	9 313	113 760

4. Trade and other payables

Accrued leave pay	13 832	-
Accrued expense	1 100	3 102
	14 932	3 102

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Notes to the Annual Financial Statements

Figures in Rand	2008	2007
5. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	18 480	11 400
Depreciation on property, plant and equipment	5 403	1 735
Employee costs	262 783	200 627
6. Finance costs		
Bank	-	1 941
7. Cash used in operations		
Loss before taxation	(121 680)	(24 073)
Adjustments for:		
Depreciation and amortisation	5 403	1 735
Interest received	(319)	(210)
Finance costs	-	1 941
Changes in working capital:		
Trade and other receivables	-	1 822
Trade and other payables	11 830	(259)
	(104 766)	(19 044)

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Detailed Income statement

Figures in Rand	Note(s)	2008	2007
Revenue			
Donation - Terre des Homes (Switzerland)		323 800	324 398
Donation - Foundation for Human Rights		1 581	80 922
		325 381	405 320
Other income			
City of Cape Town donation		15 000	-
Department of the Premier donation		24 000	-
Wheat Trust donation		5 000	8 000
Interest received		319	210
		44 319	8 210
Operating expenses			
AGM and annual report expenses		10 404	6 978
Accounting fees		12 100	17 075
Auditors remuneration		7 980	5 189
Bank charges		4 069	3 459
Depreciation		5 403	1 735
Employee costs		262 783	200 627
IT expenses		4 847	3 610
Lease rentals		18 480	11 400
Management committee meeting expenses		4 751	1 501
Penalties and fines		41	-
Postage		474	670
Printing and stationery		4 250	3 562
Project activities		93 323	158 878
Repairs and maintenance		655	-
Small items written off		12 609	-
Staff development		1 455	520
Strategy, planning and evaluation meeting expenses		8 574	-
Subscriptions		-	809
Telephone and fax		22 707	4 766
Travel - local		14 830	12 927
Travel - overseas		1 645	1 956
		491 380	435 662
Operating loss	5	(121 680)	(22 132)
Finance costs	6	-	(1 941)
Loss for the period		(121 680)	(24 073)