

2009

2009 ANNUAL REPORT

African AIDS Foundation

Making a Difference

African AIDS Foundation was founded in February 2001 to help provide a better future for vulnerable African children and their communities impacted by HIV and AIDS. The organisations founder, Dr John Schwarz is a Camden resident who during the 1980's worked for 9 years as Medical Superintendent of Emmaus Hospital, located in the foothills of the Drakensburg Mountains in Kwa-Zulu Natal Province, South Africa.

John Schwarz is passionate about Africa and helping to address the challenges it faces due to the AIDS pandemic. As a Medical Practitioner his philosophy is that while you may not be able to solve everybody's health problems, you can provide high quality care for each of your patients.

This philosophy adapted to African AIDS Foundation means that we target our resources on delivering quality outcomes in selected communities in South Africa and Kenya. With the administrative costs of running the organisation borne by its directors and members, it means that every dollar donated from the public goes directly to these African communities.

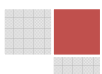
AAF is focused primarily on the well-being of children and creating opportunities for them to have a better future. Achieving positive long-term outcomes for children however, inevitably includes helping to build stronger families and safer, caring community environments.

The challenges are great, but there is hope. African AIDS Foundation can, and is, making life-changing improvements in the lives of individual children and their families. The AAF team thanks its Australian donors that fund current programs and hope that you will be encouraged to help us expand our efforts.



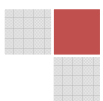
**John and Rosalie Schwarz with Cathedral Peak in the background
(Drakensburg Mountains)**

With your support and the tireless hard work of our African partners, together we are making a difference.



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Key Activities in 2009

The central goal of African AIDS Foundation is to alleviate the impact of HIV and AIDS on vulnerable African children and to provide them, their families and extended communities with opportunities that they would otherwise not have. The African AIDS Foundation programs listed below were delivered exclusively through partnerships with peer agencies in South Africa and Kenya.

HIV AIDS Education and Life-Skills Training

AAF continues to support education and coaching programs that mainly target children and youth, that provide advice and strategies to avoid contracting HIV and making healthy life choices.

Vocational Skills Training

A challenge in these communities is high youth unemployment, which often leads to boredom, crime and lack of hope in life. Vocational skills training is currently focused on developing computing skills, a capability sought after by employers.



Computer Skills Training

Community Support Care Programs

Access to care and treatment for HIV/AIDS and related diseases is a high community priority. Community based care programs are the frontline in dealing with the AIDS pandemic in most parts of Africa.

Through its partner organisations AAF is equipping and training volunteer caregivers, who perform a vital role monitoring the health and wellbeing of people in their neighbourhoods, distributing antiretroviral treatment and other medicines. They also provide a link for the vulnerable and needy to access other important community services.



Community Care Workers

Vegetable Garden Program

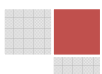
Through its partners AAF has continued to provide nutrition management programs for people on ARV treatment. Programs focus on the importance of good nutrition and healthy living. AAF also provides start-up funding and basic agricultural skills training to establish and maintain vegetable gardens. These provide food for the family and surplus crops can be sold to generate income.

Mobilising Faith-Based Communities

The stigma associated with having HIV/AIDS is very significant and the potential of churches and other faith-based organisations to contribute in HIV prevention programs remains underdeveloped. AAF continues to support the initiatives of faith-based communities to deal more effectively with sufferers of HIV and AIDS.

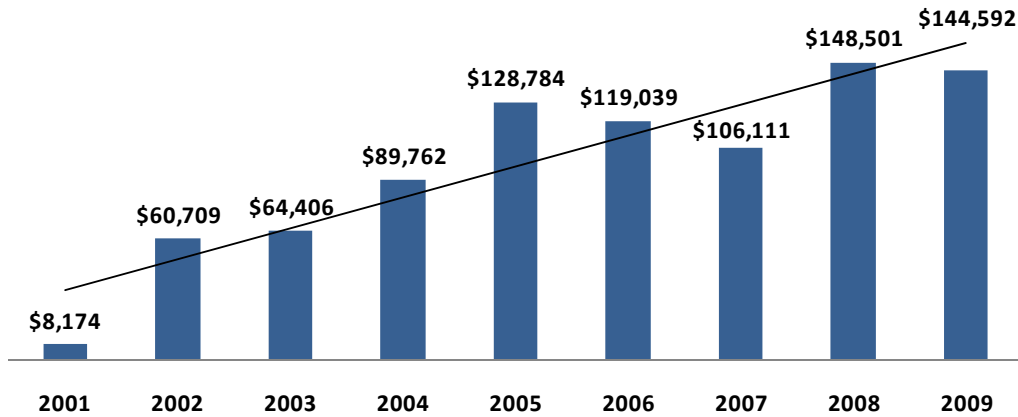
School Partnership Programs

Through its focus of educating children and youth, AAF believes there are strong mutual benefits to be gained from establishing partnerships between schools in Africa and Australia. The first such partnership was established in 2009 between Intumbane Primary School in South Africa and St Peter's Anglican Primary School in Campbelltown, Australia. This pilot partnership has already delivered positive outcomes for both schools and AAF is developing plans to expand this program in the coming years.

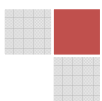
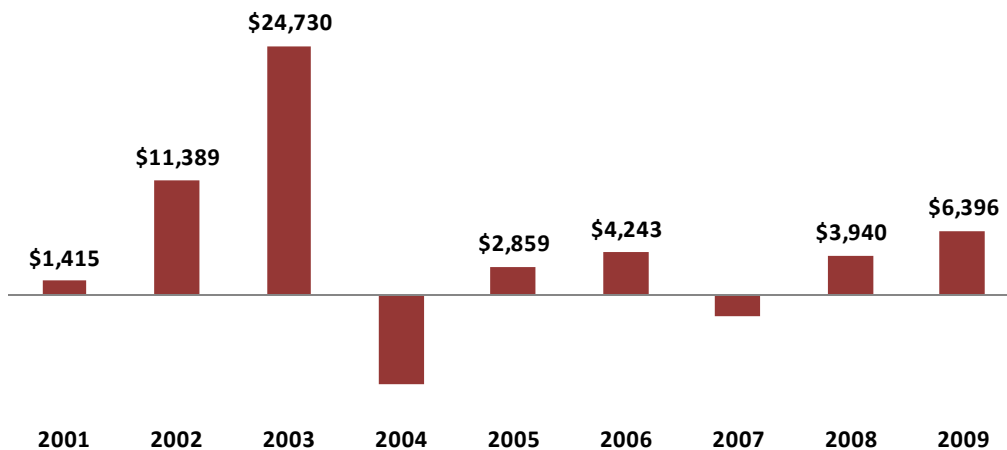


Financial Highlights

INCOME GROWTH



OPERATING SURPLUS/LOSS



Chairman's Report

On our last trip to South Africa in June 2009 we continued to see much that is sad and unfair, but we also saw some wonderfully encouraging things. We revisited a number of people and here are some of their stories. Their names have been changed to protect their identity.

Ntombi, who we first met at God's Golden Acre in 1999. As a young girl she had been shot in the back and was without appropriate family care. The nerve damage caused her to drag her leg and this caused a large sore on her foot. After extensive treatment and surgery she now presents as a warm and confident young woman. She is training to be a teacher.

Bongekile, who we also first met in 1999 at God's Golden Acre. She was then a frightened and withdrawn girl, asking only "not to be sent to fetch water" because she had been raped repeatedly when carrying out that duty. Since then she has been loved, protected and nurtured at God's Golden Acre and now has a job. She greeted us warmly when we met her in June of this year.


The other story is about Dhkoko, now 15 years old and her older brother, Siphon, now 19 years. We first met them seven years ago when they were caring alone for their dying mother in their humble mud brick home. There was a single boiled potato in a pot they had cooked on an open fire and they were trying to feed this to their mother. Their mother asked us who would care for them when she died. Heather Reynolds, the founder of God's Golden Acre and who was with us at this time, assured the mother that she would care for her children.

The mother subsequently died and Heather Reynolds has honoured her commitment. Dhkoko and Siphon have grown into two beautiful young people, who are open, caring and enthusiastic about their future lives. Dhkoko wants to be a journalist and Siphon a policeman.

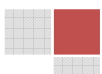
The last person I would like to mention is Bongani. She lost her mother and has since been cared for at God's Golden Acre. She now presents as a beautiful vivacious girl who wants to be a doctor or a social worker. She told us that had she not been cared for she would surely have become pregnant or ill with HIV/AIDS by now.

We were inspired by these young people and felt really pleased to have supported the organisations and people that have cared for them over these years.

While my comments here have focused on God's Golden Acre, there are similar inspirational stories everywhere we go in Africa.



John Schwarz



Director's Report

The directors of African AIDS Foundation present their report together with the audited financial statements for the year ended 30 June 2009.

HIV/AIDS Global Update

HIV, the virus that causes AIDS (“acquired immunodeficiency syndrome”) is one of the world’s most serious health and development problems.

- **More than 25 million people have died of AIDS worldwide**
- **Another 33 million are currently living with HIV/AIDS**
- **96% of those living with HIV/AIDS reside in low-to-middle income countries**
- **Sub-Saharan Africa is hardest hit with 22 million people living with the disease**
- **Many of the hardest hit countries also suffer from other infectious diseases and food insecurity**
- **HIV not only affects the health of individuals, it impacts families and entire communities**

Despite these tremendous challenges, global efforts to address the epidemic are having some positive impact. Various prevention strategies including targeting sexual behaviour changes and HIV testing have helped reduce HIV prevalence rates in a small but growing number of countries.

There have also been positive outcomes with respect to HIV treatment. This includes a combination of antiretroviral (ARV) therapy to attack the virus and medications to prevent or treat the ‘opportunistic’ infections that occur when immune system is compromised by HIV. Since HIV treatment was introduced in 1996, there have been significant reductions in morbidity and death.

Access to this medication also continues to improve. Treatment for people in poor countries has increased 10-fold since 2002, reaching an estimated 3 million people in 2007. The greatest increase has been in Sub-Saharan Africa where more than 2 million people were receiving ARV drugs by 2007. The share of pregnant women receiving ARV medication to prevent mother-to-child transmission increased from 10% in 2004 to 33% in 2007. (Source: UNAIDS/WHO).

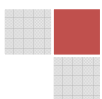
While these are noteworthy improvements in the treatment of HIV, the supply of ARV drugs still falls well short of demand. It is estimated that more than two-thirds of the people that need ARV’s still have not received it. (Source: US Global Health Policy Fact Sheet April 2009).

The fact is that while the global response to AIDS has been very substantial, millions of Africans are still dying or living in abject poverty. This applies right across all sectors of African society, but children are the most vulnerable. When parents become too ill to work or grow sufficient food, it is the children that are required to care for their family’s needs. Once orphaned, the risks become greater and the troubling reality is that a very large number of African children are presently living in jeopardy.

A Targeted Response

Although the challenges seem insurmountable, where there is progress there is hope. African AIDS Foundation cannot solve all the problems of HIV and AIDS in Africa but it can, and is, making life-changing improvements in the lives of individual children, families and their communities. Improving education about HIV means more young people will avoid contracting the disease and for those that are already suffering with AIDS, helping to improve access to antiretroviral drugs and other medication means larger numbers of people can live reasonably normal lives for many more years than would otherwise be the case. Keeping parents alive for longer means there are less orphans, which in turn means there are more children being given a better chance in life.

For people living with HIV and AIDS their ability to earn an income is often restricted. By funding vegetable garden programs AAF is improving food security for families and also giving them the opportunity to earn additional income



from the sale of surplus crops. The beneficial impact of providing families with productive vegetable gardens is significant.

Directors Tour South Africa and Kenya

A key event in 2009 was a tour to South Africa and Kenya by a team of eight AAF directors and members, including spouses. The objective of the trip was to visit AAF partners and see firsthand the work these organisations are doing in their communities. The scenes were confronting and challenging - the poverty, the hardships, the malnutrition and the devastating impact of AIDS on those that are suffering with the disease and the damaging flow-on affects to their extended families.

The experience was also inspiring for the AAF team. Seeing the passion and commitment of so many people in these communities striving to change their present situation was simply amazing. It was also a great encouragement to meet so many people who had benefited from the work of African AIDS Foundation. There is hope in these ravaged communities and AAF is making a positive difference in the lives of many children and their families.



The AAF Tour Group in South Africa

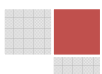
Working with Partners in Africa

AAF understands that community ownership and empowerment are essential for development programs to bring effective and lasting change. Accordingly, AAF works exclusively with African partner organisations that understand the needs and priorities in their communities and have a long-term vision.

Philakahle Wellbeing Centre

This project has been operating with the support of AAF since 2005. It aims to reduce poverty in the Okhahlamba Municipality in Kwa-Zulu Natal Province through promoting integrated programs that are primarily focused on caring for people impacted by HIV/AIDS in their communities, and avoiding placing them in institutional care.

The Philakahle project was one of the first in South Africa to begin distributing Government supplied antiretroviral (ARV) medication to people with HIV/AIDS. When the Philakahle project started in 2005 there were 115 people in the program and by 2009 this had grown to 260. The goal is of course, to keep people alive and help them to be contributing members in their communities. Seventy-five of the original starting group are still in the program. Of the remainder, some have died but a good number have moved from the area.



In addition to coordinating the distribution of ARV medication, the Philakahle project provides education on how to live a healthy lifestyle, training for community care workers, establishing community and home gardens, providing counselling services and small business opportunities. In April 2009 approximately 25% of the people on this program had employment. There are many children who are not orphaned because of this program and people alive today who owe their existence to the support provided by Philakahle and AAF.

Across the Okhahlamba Municipality there are currently around 4000 people on ARV treatment. With the support of African AIDS Foundation Philakahle is expanding its program in 2010.



Staff at Philakahle (L-R Mamsy Khumalo, Ntombifuthi Hlatshwayo, Busi Sechaba)
with Sharon Pascoe-Thomas, a Director of AAF

Home-Based Care Support Programs

Due to the widespread impact of AIDS in Zulu villages and the stretched resources of the South African health system, Philakahle has been involved in the training of community workers to distribute ARV medication and provide day-to-day support to the sick people in their local communities.

All volunteers, these women provide a vital link between the sick and vulnerable in the community and the social and health support services that are available. They routinely visit their sick neighbours to ensure that they are keeping up with their daily medications. They also are a source of encouragement, advice and physical support for those who are struggling to care for themselves.

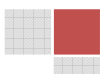
These women are the backbone of community care and do it all without pay and little recognition. Each year AAF provides food parcels to these women in recognition of the vital role they have supporting children and families in their local communities.

Zamimpilo Training Centre – Youth Life Skills

Zamimpilo was set-up in the early 1980's as a centre to accommodate new mothers on discharge from hospital, at the time when John Schwarz was Medical Superintendent of Emmaus Hospital.

In 2005, after Zamimpilo had been unused for a number of years, AAF and other financial supporters provided funding to renovate the facility and establish a training centre. Australian volunteers assisted with construction and project management for part of the renovations and in August 2008 Zamimpilo held its first Youth Life Skills Camp. Over eight weekends workshops were conducted for over four hundred orphans and vulnerable children.

The Youth Life Skills initiative is based on a program developed by iThembu Lethu in Durban, which aims to assist



children aged from 7 years to better understand HIV/AIDS and to make healthy lifestyle choices. The curriculum has been developed from five years of work with vulnerable children, teaching them to know and value themselves, valuing others, knowing God, knowing their boundaries, respecting other people's boundaries, choosing good behaviour and the changes they will face during adolescence, to mention just a few.

The Youth Life Skills program is offered in conjunction with the Okhahlamba Area Development Program (OADP). To date there have been 17 workshops for 630 children. A follow up program is being provided for 436 of these children, living in 13 communities. This is done on a monthly basis through local pastors and other volunteers who are able to assist orphans in their local areas.

AAF is committed to the ongoing support of this valuable program in partnership with Philakahle and OADP. AAF provides funding to employ the program leader and expenses related to the follow-up program. OADP meets the cost of the weekend workshops.

Zamimpilo also provides computer skills training programs for school leavers, a capability that is increasingly sought after by employers. This program is sponsored by World Vision.



Students at the Zamimpilo Training Centre

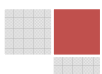
The AAF Board was privileged to meet some of the young people attending a workshop at Zamimpilo during their recent trip to South Africa. This facility is an invaluable training resource for children and young people in the battle against HIV/AIDS.

Tabitha Ministries

Tabitha Ministries has a comprehensive range of programs to assist the community and urban areas around Pietermaritzburg in South Africa. These programs include coordinating home-based care services in urban and rural communities, providing school age and adult training on HIV/AIDS, and providing care for orphaned and abandoned children, ranging from babies through to teenagers.

The AAF Board visited Tabitha during their recent trip to South Africa, spending time at their orphanage in Pietermaritzburg and also visiting a number of places in their community, where the death rate from AIDS is particularly high.

Tabitha is well supported by its local community and other aid agencies. During 2009 AAF provided funds to purchase food parcels for their volunteer team of home based carers.



Gods Golden Acre - Youth Development and Life Skills Program

This program is focused on vulnerable teenage boys and girls in the Sankontshe, Mophela, KwaXimba and Geordedale Valleys (located in The Valley of 1000 Hills, outside Durban). The program includes youth development workshops held at God's Golden Acre, plus the training of local school staff and other young people that have leadership potential, who can assist in facilitating future workshops and providing follow-up support in their communities.

AAF funded a 10-day in-house youth development workshop for 60 primary school students in October 2008. These students attend rural schools in Sankontshe and Mophela. Many children are quite old for their grades and are already sexually active in primary school. Daily program activities include first aid lessons, life skills workshops, vocational skills, theatre, singing, dance, sport and adventure programs. The objective of all of these activities is to give the children the knowledge they need to make more positive lifestyle choices. The life skills workshops involve both lectures and group discussions on topics such as HIV/AIDS, abuse, teenage pregnancy, self-esteem, goal-setting and other issues that the children want more information about. The important concepts that are constantly reinforced throughout the 10-day program are self esteem, confidence and life planning.

In addition to the above program, AAF provided funding for the training of 18 peer educators. These young people will provide peer support in their schools and will be involved in facilitating future youth development workshops.

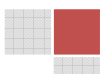


Group Discussion at GGA Life Skills Workshop

School Partnership Program (Pilot)

During a visit by John and Rosalie Schwarz to South Africa in 2008, they were encouraged to begin forming links between Australian and South African schools. The vision was to foster friendships between students and staff, to build a greater knowledge of each other's cultural and social circumstances, to provide material and educational assistance to African schools and to provide encouragement and hope to African students. For the Australian school students it would give them a better understanding of HIV/AIDS and poverty, and allow them to experience the personal fulfilment that comes from being compassionate and helping those that are less privileged.

This vision came to fruition in early 2009 with the formation of a pilot partnership between St Peters Anglican Primary School (500 students) in Campbelltown, Australia and the Intumbane Primary School (800 students) in the Moyeni Valley located near Bergville, South Africa. The relationship was launched with an exchange of letters between the respective school Principals. This has been followed by literally hundreds of letters being exchanged between the students and approximately 300 kilograms of school educational materials sent from St Peters, including five laptop



computers. St Peters also raised funds from within their school community to install a pump and water tank at Intumbane. Prior to this, there was no running water and students would have to pump water from a well by hand for drinking and watering of school gardens.

While the partnership between these two schools is still in its early days, the following comments by staff confirm that the impact on both school communities has been very positive. AAF is planning to expand this pilot program to other schools and is currently developing strategies and policies based on the Intumbane - St Peters experience.

Bongekile Radabe, teacher at Intumbane Primary School said the following about what the relationship with St Peter's Anglican Primary School has meant to their students:

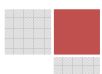
"At Intumbane Primary school, we are truly grateful to the Lord about the partnership with St Peter's. During this short period of time, beside that they are a generous school we have learnt so much from our sister school. We have learnt that we have to market our school. The partnership has revived everyone at school, as they refer to our Lord and Saviour in the pen pal letters all the time. Intumbane school has a working electric water pump for the garden, which is something we have been dreaming about for five years. They just did it in two months we have known them. We are now connected to the Internet and thanks to the laptops which were donated by our sister school. Educators now download their assignments etc. through this new technology. Learners develop their English vocabulary as they write to their friends in English, which is something we are striving for as they learn 8 subjects in English, they are using it for social purposes which helps them a lot, as they learn better while they socialise."



Students at Intumbane Primary School

Cath Halloran from St Peter's Anglican Primary School reported that:

"As a school, we have really enjoyed forming the link with the staff and students of Intumbane. Although we have had the opportunity to raise money for the school, this has been far more than a mere fundraising activity. Over the year, the students have begun to form friendships with each other through pen pal style letters. There is always great excitement in classrooms when there is a mail delivery. Staff have also begun to communicate via email and we would like to do more of this in the future. We have much to learn from each other and it is great to be able to support each other in prayer. The relationship has also extended into our parent community with some of our parents initiating fundraising ideas. This has been truly wonderful. We are thankful for this opportunity and we look forward to strengthening friendships in the coming years."



Members, Volunteers and Supporters

The directors acknowledge the contribution members, volunteers and financial supporters during 2009. This continuing support has enabled AAF to again reach a total income of just under \$150,000 despite the adverse financial market environment of the past year. Total income since the company was founded in February 2001 is almost \$900,000. The assistance of volunteers in running the day-to-day affairs of AAF means that every dollar raised from the public goes to Africa. The directors are encouraged by the continued growth in public support, with the list of registered donors now in the vicinity of 1000 across the Macarthur community and beyond.

The Board remains committed to expanding the work of AAF with a strategy that involves focusing our resources on selected communities in South Africa and Kenya. This targeted approach will ensure our programs deliver higher quality and more comprehensive outcomes. The continuing participation of our Australian supporters is vital to the ongoing effectiveness of the African AIDS Foundation.

Tax Deductibility

Over the past few years the AAF Board has revised its policies in relation to applications for funding by African partner organisations as well as the ongoing monitoring of projects after funding is approved. These changes have been introduced progressively over the last couple of years in view of the Board's objective to apply to AusAID and the Australian Tax Office for donations to be tax deductible.

In June 2009 African AIDS Foundation made a new submission to AusAID to obtain 'approved organisation' status under the Overseas Aid Gift Deduction Scheme (OAGDS). If approved under this scheme AAF will then be eligible to apply to the Australian Tax Office for tax deductibility status.

A significant amount of work was involved in compiling this submission and the directors would like to acknowledge the very considerable time and effort of Eddie Ozols, an AAF member and senior manager in a NSW Government department, who prepared and submitted the application to AusAID. This submission was lodged after Eddie spent three months at his own expense, in South Africa and Kenya collecting project information and provided training for AAF's partner organisations.

Board of Directors

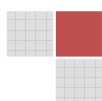
The names and particulars of the directors in office at the date of this report are:

| | |
|----------------------|--------------------------------|
| David Cooper | Retired School Teacher |
| Geoff Hoskin | Retired Business Owner |
| Natalie Hutchings | School Teacher |
| Steve Hutchings | Theology Student |
| Sharon Pascoe-Thomas | School Fundraising Coordinator |
| John Schwarz | General Practitioner |
| Rosalie Schwarz | Business Owner |
| Bruce Willmann | Company Director |

Director's Meetings

African AIDS Foundation held 10 meetings in 2008-09, with the following attendance by directors:

| Director | Meetings Held | Meetings Attended |
|----------------------|---------------|-------------------|
| David Cooper | 10 | 6 |
| Geoff Hoskin | 10 | 10 |
| Natalie Hutchings | 10 | 8 |
| Steve Hutchings | 10 | 6 |
| Sharon Pascoe-Thomas | 10 | 8 |
| John Schwarz | 10 | 10 |
| Rosalie Schwarz | 10 | 10 |
| Brian Stewart | 6 | 3 |
| Roslyn Tildsley | 6 | 3 |
| Bruce Willmann | 10 | 10 |



Share Capital

The Company is a company Limited by Guarantee and therefore does not have a share capital.

Operating Results

The Company had a net surplus of \$6,395 for the financial year ended 30 June 2009. This was the result of the distribution of retained earnings and current year funds to a number of existing and new projects in Africa. Cash on hand at 30 June 2009 was \$44,053.

Significant Changes in Affairs

There has been no significant change in the company's state of affairs during the financial year.

Dividends

The company's constitution prohibits the payment of dividends to any person.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which have or will significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future years.

Director's and Auditor's Indemnification

The company has not during or since the end of the financial year in respect of any person who is or has been an officer or director or auditor of the company, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer including costs and expenses in successfully legally defending legal proceedings or paid or agreed to pay a premium in respect of a contract insuring against a liability.


Auditors

The company's auditors follow the independence requirements of the Australian ethical pronouncements and the Corporations Act 2001. The auditors have provided the Board of Directors with a written declaration of their independence.

Director's Benefits

During or since the financial year no director of the company has received or become entitled to receive a benefit because of a contract made by the company with a director or with the firm of which the director is a member or has a substantial interest.

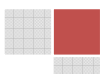
This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



John Schwarz
Chairman



Bruce Willmann
Director




Director's Declaration

The directors resolved that in their opinion:

1. The accompanying Financial Statements are drawn up so as to give a true and fair view of:
 - (a) The financial performance and cash flows of the Company for the financial year ended 30 June 2009.
 - (b) The state of affairs of the company as at the end of the financial year.
2. At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.
3. A competent person has prepared the accounts.
4. The company has kept such accounting records to correctly record and explain the transactions and financial position of the company.
5. The company has kept its accounting records in such a manner as would enable true and fair accounts of the company to be prepared from time to time.
6. The company has kept its accounts in such a manner as would enable the accounts to be conveniently and properly audited in accordance with the Corporations Act.
7. The provisions of the Charitable Fundraising Act and the conditions attached to the Authority to Fundraise have been complied with.
8. Internal Controls exercised by the Company are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

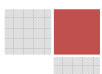
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John Schwarz
Chairman



Bruce Willmann
Director



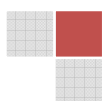
Special Purpose Financial Statements

Profit and Loss Statement

July 2008 through June 2009

| | 2009 | 2008 |
|--------------------------------|----------------|----------------|
| Income | | |
| Undesignated Gifts | 63,247 | 75,659 |
| Fundraising Activities | 51,593 | 24,209 |
| Bookstall Sales | 3,518 | 4,615 |
| Designated Gifts | 26,234 | 44,018 |
| Total Income | 144,592 | 148,501 |
| Cost of Sales | | |
| Freight Cost | - | - |
| Cost of Books | 4,043 | 3,298 |
| Cost of Beads | 600 | 361 |
| Fundraising Costs | 11,893 | - |
| Gross Surplus | 128,056 | 144,842 |
| Expenses | | |
| Bank Charges | 211 | 292 |
| Merchant Charges | 477 | 579 |
| Telegraphic Transfer | 160 | 27 |
| Dues/Subscriptions/Affiliation | - | 40 |
| Accounting/Audit/ASIC/ATO | 931 | 440 |
| Computer Consultancy | - | - |
| Insurance | - | 1,199 |
| Travel | - | 1,702 |
| Postage | - | - |
| Stationery | 259 | 226 |
| Other | 75 | 7,376 |
| African Projects | 120,309 | 128,931 |
| Production & Promotion | - | 544 |
| Total Expenses | 122,422 | 141,356 |
| | | |
| Operating Surplus | 5,634 | 3,486 |
| Interest Income | 761 | 454 |
| Other Income | - | - |
| Net Surplus / (Deficit) | 6,395 | 3,940 |

The above Statement is to be read in conjunction with the accompanying Notes.



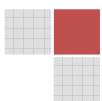
Special Purpose Financial Statements

Balance Sheet

30 June 2009

| | 2009 | 2008 |
|---|---------------|---------------|
| Assets | | |
| Current Assets | | |
| Cash at Bank and On Hand | 44,048 | 37,651 |
| Total Assets | 44,048 | 37,651 |
| Liabilities | | |
| Current Liabilities | | |
| GST Liabilities | | |
| GST Collected | 160 | 134 |
| GST Paid | 165 | 141 |
| Total GST Liabilities | (5) | (8) |
| Total Current Liabilities | (5) | (8) |
| Total Liabilities | (5) | (8) |
| Net Assets | 44,053 | 37,659 |
| Accumulated Funds at Beginning of Year | 37,659 | 33,719 |
| Current Year Surplus/(Deficit) | 6,395 | 3,940 |
| Accumulated Funds at the End of the Year | 44,053 | 37,659 |

The above Statement is to be read in conjunction with the accompanying Notes.



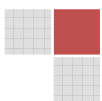
Special Purpose Financial Statements

Statement of Changes in Accumulated Funds

July 2008 through June 2009

| | 2009 | 2008 |
|--|---------------|---------------|
| Accumulated Funds at Beginning of Year | 37,659 | 33,719 |
| Current Year Surplus/(Deficit) | 6,395 | 3,940 |
| Total Income | 44,053 | 37,659 |

The above Statement is to be read in conjunction with the accompanying Notes.



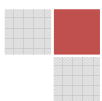
Special Purpose Financial Statements

Cash Flow

July 2008 through June 2009

| | 2009 | 2008 |
|---|----------------|----------------|
| Cash Flow from Operating Activities | | |
| Donations, Sponsorships and Sales | 144,592 | 148,501 |
| Interest Received | 761 | 454 |
| Total Income | 145,353 | 148,955 |
| Payments to Suppliers | (16,536) | (3,659) |
| Payments to Projects | (120,309) | (128,931) |
| Other Payments | (2,113) | (12,425) |
| Cash Flow from Operating Activities | 6,395 | 3,940 |
| GST Collected | 26 | (911) |
| GST Paid | (24) | 717 |
| Net Increase/Decrease for the period | 6,397 | 3,746 |
| Cash at the Beginning of the period | 37,651 | 33,905 |
| Cash at the End of the period | 44,048 | 37,651 |

The above Statement is to be read in conjunction with the accompanying Notes.



Notes to Financial Statements

NOTE 1 – Summary of Significant Accounting Policies

The company is not a reporting entity because, in the director's opinion, there is unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs, and these accounts are therefore "Special Purpose Financial Reports" that have been prepared solely to meet the needs of directors of the company to assist in the management of the company and reporting to members and must not be used for any other purpose.

The Company has applied the following applicable Accounting Standards:

| | |
|-----------|---|
| AASB 101 | Presentations of Financial Statements |
| AASB 107 | Cash Flow Statements |
| AASB 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| AASB 110 | Events after the Balance Sheet Date |
| AASB 1031 | Materiality |
| AASB 1048 | Interpretation and Application of Standards |

These Accounting Standards apply to all entities required to prepare financial reports under the Corporations Act 2001.

Except where stated, the financial report is prepared in accordance with the historical cost convention, and unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. The directors are of the opinion that the accounts present a true and fair view of the results for the year ended 30 June 2009. No other accounting standards have mandatory applicability, and consequently none have been adopted. Statements of accounting concepts are also not applicable.

NOTE 2 – Basis of Accounting

The accounts have been prepared based on historical costs and do not take into account changing money values or, except where indicated, current valuations of non-current assets. The cash and going concern bases of accounting have been adopted.

NOTE 3 – Liabilities

As at 30 June 2009, the company has a net GST liability of minus \$5. In the opinion of the directors, the company is able to pay its debts as and when they fall due.

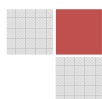
NOTE 4 – Income Tax

As the company operates as a non-profit organisation, the company is not subject to income tax for the year.

NOTE 5 – Information required under the Charitable Fundraising Act 1991

| | 2009 | 2008 |
|--|------|----------|
| Gross proceeds from fundraising appeals: | nil | \$26,132 |

African AIDS Foundation made general appeals for funds during the year with no significant special appeals.



NOTE 6 – Related Parties

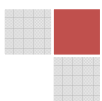
The following persons held office as director at any time during the financial year. No director received any remuneration other than appropriate reimbursement of any costs incurred.

David Cooper
Geoff Hoskin
Natalie Hutchings
Steve Hutchings
Sharon Pascoe -Thomas
John Schwarz
Rosalie Schwarz
Brian Stewart
Roslyn Tildsley
Bruce Willmann

NOTE 7 – Financial Instruments and Risks

African AIDS Foundation raises funds for projects and sponsorships and regularly remits those funds to the field with the result that generally no significant funds are held. There is no currency risk as funds are held in Australian currency and there are no foreign currency commitments.

There is no market risk as funds are held in short term interest bearing bank accounts only with an Australian Bank. The exposure to interest rate risk (based on funds held at balance date) is considered to be nominal.



Auditors Report



SHEDDEN & GREEN PARTNERS

CHARTERED ACCOUNTANTS
ABN 43 723 342 276

Level 3 - Suite 28
19-21 Central Road
MIRANDA NSW 2228



Phone: (02) 9540 1944
Fax: (02) 9540 2201

Email: sheddenandgreen@bigpond.com

PO Box 142
MIRANDA 1490

INDEPENDENT AUDIT REPORT

TO: The Members, African Aids Foundation Limited

We have audited the accompanying general purpose financial report of African Aids Foundation Limited, which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Funds and Reserves and the Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration

Directors' Responsibility for the Financial Report

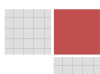
The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is 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.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

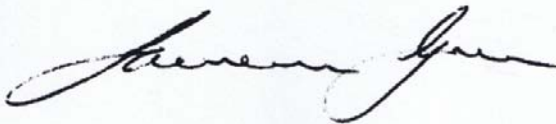
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors, would be in the same terms if provided to the directors as at the date of this auditor's report.

Audit Opinion

In our opinion, the financial report of African Aids Foundation Limited is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30th June 2009 and of its performance for the financial year ended on that date; and
 - (ii) Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations.
- (c) Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act and its regulations.

Shedden and Green Partners
Lawrence R Green FCA – Partner



Dated 30th October 2009
Miranda NSW

Company Information

Registered Office:

African AIDS Foundation
37 Hilder Street
Elderslie NSW 2570

Telephone: 02 4658 0580
Facsimile: 02 4658 0887
Email: enquiries@africanaidsfoundation.org.au
Website: www.africanaidsfoundation.org.au

Auditors:

Shedden & Green Partners
Chartered Accountants
Level 3, Suite 28
19-21 Central Road
Miranda NSW 2228

Telephone: 02 9540 1944
Facsimile: 02 9540 2201

