

African AIDS Foundation



Annual Report 2005

**AAF exists to serve marginalised people, through Christian faith in action,
in the spirit of the life of Jesus Christ.**

It is providing resources for communities and individuals affected by HIV/AIDS, to:

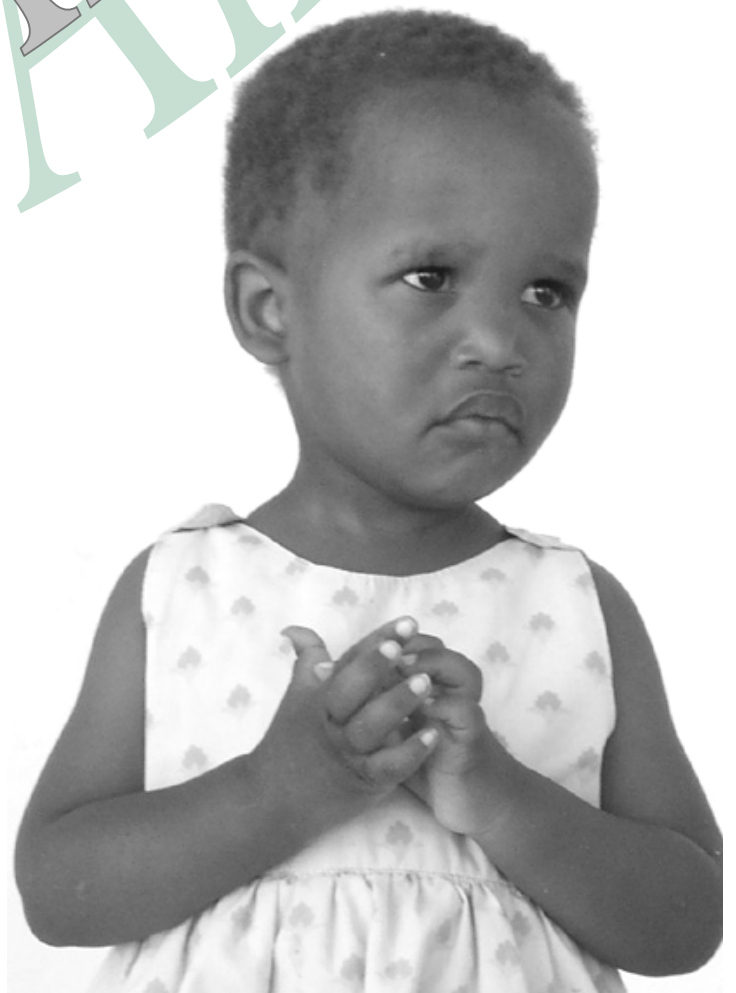
- Alleviate the suffering caused by HIV/AIDS;
- Reduce the spread of the disease; and
- Assist communities and individuals to become self-supporting contributors to their society.

The Foundation is achieving these aims through:

- Partnership with like-minded organisations
- Recruitment of volunteers
- Distribution of information concerning the impact of HIV/AIDS; and
- Fundraising.

In this undertaking, we value:

- the equality and dignity of people regardless of background;
- partnerships with organisations which have similar values and aims;
- programs which provide sustainable educational, vocational and life skills.



African AIDS Foundation
Solutions: Giving children homes, hope and a future...



From the Chairman – Dr John Schwarz

It has been another tumultuous year for the world. Wars, famines, and natural disasters have leapt into and out of our consciousness with persistent regularity.

For a time, the Boxing Day Tsunami, an extraordinary event of nature that killed hundreds of thousands of people in a most grotesque fashion, jolted Australia out of its local preoccupations.

Sadly, the awful reality in southern Africa is that every 6-7 weeks there is the equivalent of a tsunami! Seven thousand, mostly young, people die each and every day. Between 2½ and 3 million people every year! How can we possibly imagine the heartache this is creating for millions of families? Yet it is a reality that impels the AAF Board to continue working for solutions.

This year we have again been served by a group of dedicated and wonderful people who have tremendously aided our efforts. They have contributed enormously to our accomplishments through the donation of their time and skills in many areas. The Board extends its thanks to them for their assistance. A very special note of thanks to the Narellan Congregational Church for its fantastic hosting of the 2004 Annual Supporters Thankyou Function.

Once again, income received by AAF this year included generous gifts from many individuals, church groups, service groups and other organisations. Also contributing to the result were donations for cakes, craft items, beads, and the sale of books through a bookstall.

I can only humbly say thankyou to all our supporters for working with us during the last year. I look forward to your continued partnership as together we make a difference for so many people who would otherwise have few prospects and little hope.

Dr John Schwarz.

Founder and Chairman of African AIDS Foundation.



Dr John Schwarz in South Africa 2004, with an abandoned baby.

Activities and highlights from the last year

African AIDS Foundation sustained its links with a number of groups in South Africa and Kenya. AAF resources these groups in a variety of ways. Financial assistance is a key to our involvement. However, we have again provided volunteers as well as helping with groundwork and planning matters for a number of initiatives.

Projects Overview

Following is a review of supported groups and some of their activities during 2004 – 2005.



Some of the puppeteering team at Tabitha who each year present programs on AIDS to tens of thousands of school kids.

- In Pietermaritzburg, South Africa, Gail Trollip has continued to develop the work of **Tabitha Ministries**. The home-based carers program provides vital, and often the only, medical and welfare attention for critically ill and dying patients. The team of 30 carers have over 900 people on their books. The carers, in teams of 2 or 3, visit up to 30 people every day, providing love and care to patients and their families together with advice and emergency needs. This group of dedicated people are truly inspirational. The Hope Centre has now been able to add respite care to the service it provides to these desperate families. Now each week, thirty-five of the most needy adults and children (identified by the HBC team) are able to come to the Hope Centre. During their weeklong stay, the patients are stabilised and strengthened. Gail recently recounted the remarkable story of Bongani who was referred

to the centre by a local doctor. **Tabitha** was informed that, because of severe infections, he was unable to walk or feed himself. Within a matter of days they

were able to get him feeding himself, to exercise his fingers with a tennis ball and to walk using a walker. After two weeks he went home a new man, feeling that he can cope with life. **Tabitha** is also looking into the possibility of antiretroviral medications for him. This is an example of the difference made to people's ability to cope.

Tabitha continues to be involved with education and prevention programs, and care of orphans, as well as plans to expand its initiatives amongst teenagers. It is still a vision of the team to provide care and support for teenagers at risk through the Green Leaf Farm project. The plans to purchase a suitable property have not yet eventuated. A real option is now to develop the project on the Hope Centre site. In late 2004, two volunteers from AAF, Sharon Beasant and Hazel Bundy, spent 2 months at Tabitha.

- **God's Golden Acre**, in Cato Ridge, South Africa, now has significant backing from a number of donors. As a consequence, AAF has focussed its contribution specifically to the rural program.



Sharon Beasant and Hazel Bundy

Rosetta Huenis leads this team. In the last year one of its accomplishments has been to establish an Early Education Centre in partnership with the local community. This is a pilot project with the hope of more centres to come. GGA assists with staff development, the curriculum, and meals for the children. It currently has 28 children at the school, with one full time and two volunteers trainers. The centre prepares kids for school, and helps them with language, emotional, social and physical development. The meal provided by the centre is often the only meal the children will receive that day.

African AIDS Foundation is one of a number of supporters of the rural project which also distributes emergency food and medicine, implements garden projects, and provides chickens and fruit trees to help families support themselves. It is a vital aspect of the work of GGA, giving dignity, love and support to those in desperate need, through education, sports initiatives, self-sustaining food projects and more.



Participants in the AIDS Workshop hold animated discussion between sessions.

- **Kenya Baptist Theological College**, near Nairobi, Kenya, was the setting for a very valuable workshop on AIDS. In February, Rev. Bernard Kabaru Mwangi, then principal of the college, a number of AIDS experts from McCords Hospital in Durban South Africa, and Dr John and Rosalie Schwarz from AAF, facilitated this workshop. One hundred and fifty key church and community leaders from throughout Kenya were motivated and further equipped to face the challenge of AIDS in their local settings. Plans are already in place for follow up training with a number of these leaders. Bernard Kabaru Mwangi has recently changed roles and is now with the African Leadership and Reconciliation Ministry. He will continue in the strategic work of equipping people to lead their communities and in their efforts to combat AIDS.

South Africa, is an AIDS Outpatient Centre, attached to McCords Hospital. It offers care through support groups, counselling, voluntary HIV testing, employment creation programs, and creative expression through its dynamic choir. The Foundation has continued to receive donations on behalf of the centre for beadwork made by its patients.

- **Operation Lazarus**, a community-based project, was based in a township near Johannesburg, South Africa and directed by Dr Vincent Mkhabela. Sadly, at the end of 2004, Vincent concluded with this project and has returned to studies.
- Chris and Johanna Mahlambi lead the **Ulwazi Skills Training Association**, in Johannesburg, South Africa. It cares for people infected and affected by AIDS through vocational training, visitation, and provision of basic and emergency needs. Due to other priorities of the Foundation, this year we have only been able to offer minimal assistance to this worthy initiative.
- New this year to AAF's network is the **Philakahle Wellbeing Centre**, in Bergville, South Africa. This group is very involved with home-based care programs as well as preparation for the distribution of antiretroviral medications. Patients on ARVs require close monitoring and a stringent compliance regime, together with reasonable nutrition and access to clean water. While ARV's hold out real hope for AIDS sufferers, the administration, training of patients and their families, and the general social circumstances are critical to any success. Philakahle will play a key role in the implementation of this program in its community. A volunteer from AAF, Christine Mennell, recently moved to Bergville, to work with Philakahle Wellbeing Centre. She is very involved with the ARV preparation.



Christine Mennell

This year, John and Rosalie Schwarz have visited all these organisations. They went to South Africa in July 2004, and to Kenya in February 2005. These trips were undertaken at their own expense and were crucial to monitoring the work of supported groups as well as for identifying opportunities to further assist them.

Through these organisations, AAF, with its supporters, has again made a considerable difference in the lives of many people. And because our administrative costs continue to be underwritten by Dr John Schwarz, all funds raised are being directed to these grass roots organisations.

AAF Overview

Our working groups once again oversaw the principal activities of the Foundation as follows:

- **Administration** – Tax deductibility remains an elusive but desired goal. Two of the directors and an experienced volunteer met with AUSAID representatives in July 2004. This meeting was very helpful in clarifying the requirements of "approved organisation" and "deductible gift recipient" status and for strategic planning. The group has made some headway with this objective but many other commitments by the group members have considerably slowed progress.

- **Marketing and Fundraising** – During the year, the Foundation applied for trade marking of a fundraising campaign - "Shades for AIDS". The submission was unsuccessful but the group is continuing to negotiate with IP Australia, the government agency that administers intellectual property rights. Another important development has been the establishment of the **Kids In DiStress or K.I.D.S Fund**. At various times AAF has been asked by supporters to consider individual sponsorship of children. We have given much thought to this and other ways in which we could better help children, orphaned or abandoned because of AIDS. However, we believe individual sponsorship programs are administratively and equitably extremely difficult to manage, and especially given the size of our organisation. The KIDS Fund is a way for supporters to give specifically to assist kids in great need but avoids the complexities of individual sponsorship. A number of the groups we support already make considerable efforts to assist thousands of kids. This Fund will hopefully attract more donations to assist them in this area.
- **Advocacy** – During the year, AAF representatives have had many opportunities to speak with community groups, churches and community leaders in order to raise awareness concerning HIV/AIDS. One of the encouraging trends in recent years has been the extra media attention given to the AIDS crisis. While this is not grounds for complacency and there remains so much to be done, observing this new awareness of and attention to the issue of AIDS in Africa and other regions has been very encouraging to the Board.
- **Volunteers** – As mentioned elsewhere in this report, three people have represented AAF as volunteers this year. Hazel Bundy and Sharon Beasant spent time at Tabitha Ministries in Pietermaritzburg. Christine Mennell joined the team at Philakahle. She will spend at least 9 months in Bergville and is considering an extension of her stay into 2006. There have also been numerous enquiries about volunteer service.

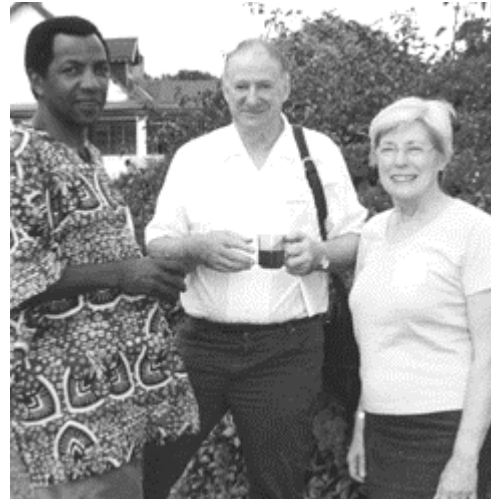
The Coming Year

Priorities for the next 12 months include finalising tax deductibility and settling the question of an annual campaign.

Fundraising will, of course, continue to be a major focus of activities as will the on-going development of relationships with our partner organisations.

John and Rosalie Schwarz hope to travel to South Africa in the second half of 2005. As usual, this visit will be at their expense.

African AIDS Foundation, through its supporters in Australia and its project partners in South Africa and Kenya, is continuing to make an important contribution to many lives. Our ability to help is limited only by our imagination and the funds available to us. During the next year, AAF looks forward to continuing its partnership with its supporters in Australia, and with the community groups in Africa.



John and Rosalie Schwarz with Bernard Kabaru Mwangi at the AIDS Workshop

DIRECTORS' REPORT

The Directors of African AIDS Foundation submit this report for the financial year ended 30 June 2005, made in accordance with the resolution of the Board of Directors.

BOARD OF DIRECTORS

The names and particulars of the Directors of the Company, in office at the date of this report, are:

- Ken Allen, Chartered Accountant;
- Peter Archer, Practice Manager, Secretary and Public Officer of African AIDS Foundation;
- David Cooper, Retired School Teacher;
- John Charles Morton Schwarz, General Practitioner, Chairman of African AIDS Foundation;
- Rosalie Schwarz, Small business owner;
- Brian Stewart, Baptist Minister;
- Bruce Willman, General Manager.

SHARE CAPITAL

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

OPERATING RESULTS

The net surplus of the company for the financial year ended 30 June 2005 was \$2,859. This surplus/ deficit was the result of the distribution of accumulated and current year funds to several new projects. Cash on hand at 30 June 2005 was \$31,513.

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.

DIRECTORS AND AUDITORS 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.

DIRECTORS 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.

Signed at Elderslie this 20th day of September 2005, in accordance with the resolution of the directors.

Dr John Schwarz
Director, and Chairman

Peter Archer
Director, and Secretary

DIRECTORS 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 2005.
 - (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. (a) The company has kept such accounting records to correctly record and explain the transactions and financial position of the company.
 - (b) 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.
 - (c) 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.
5. (a) The provisions of the Charitable Fundraising Act and the conditions attached to the Authority to Fundraise have been complied with; and
 - (b) Internal Controls exercised by the Company are appropriate and effective in accounting for all income received and applied from any fundraising appeals

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

Dr. John Schwarz
Director

Mr. Peter Archer
Director

Dated at Elderslie this 20th day of September 2005.

**AFRICAN AIDS FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005 \$	2004 \$
Current Assets		
Cash Assets – Chq account	28,848	28,654
KIDS Fund	<u>2,665</u>	
Total Assets	<u>31,513</u>	<u>28,654</u>
Current Liabilities		
Total Liabilities	-	-
Net Assets	<u>31,513</u>	<u>28,654</u>
Represented by:		
Accumulated Funds		
Balance at beginning of year	28,654	37,535
Surplus for year	2,859	
Surplus (Deficit) for year	<u> </u>	<u>(8,881)</u>
Balance at end of year	<u>\$31,513</u>	<u>\$28,654</u>

NB: St George Bank Statement 52 shows an error in posting by the bank on 14 June 2005, to the African AIDS Foundation Bank Account for \$2101.40. The Foundation awaits an adjustment by St George Bank to correct this error.

The accompanying notes form part of this balance sheet.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2005**

	2005	2004
	\$	\$
Income		
Undesignated Gifts	101,899	69,069
Bookstall Sales	5,253	6,560
Designated Gifts		
GGA Family Assistance	210	105
Sale of Beads	2,850	8,073
GGA Rural Outreach	50	-
Mrs Swindale – Cake/Jam Sales	1,119	1,247
Tabitha Greenleaf Farm Project	8,200	3,855
Mrs Clarke – Knitwear Sales	122	-
Dianne Fox Group Christmas Dec	1,689	-
Kenya Appeal	3,010	-
KIDS Fund	2,665	-
Interest	824	177
Support in Kind	893	676
Total Income	128,784	89,762
Expenditure		
Audit and Accounting	363	395
Bank Fees	594	835
Bead Costs	2,391	-
Bookstall Costs	4,908	5,605
Dues/Subscriptions/Affiliations	40	-
Postage	783	473
Stationery	149	204
Other	58	40
Projects		
GGA Rural Outreach	10,057	20,442
Matthew 25 Ministries	0	312
Ulwazi Skills Training Assoc.	5,030	4,000
Sinikithemba	0	6,920
Door of Hope	0	210
Teaching Resources – Gift of Videos & CD's	0	165
Rainbows of Hope	0	2,374
Rainbows of Hope - Operation Lazarus/ Dr Vincent Mkhabela	0	22,000
Tabitha Ministries	0	10,511
Tabitha Ministries – Greenleaf Farm Project	15,027	21,157
ALARM – African Leadership and Reconciliation Ministry	2,530	
KBTC – AIDS Workshop	40,000	
Philakahle Wellbeing Centre	38,040	
Bernard Kabaru Mwangi - KBTC	3,027	3,000
Production and Promotion		
Copyright/Trade marking	120	-
Promotion	2,808	-
Total Expenses	125,925	98,643
Net Surplus/(Deficit)	\$2,859	\$(8,881)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2005**

Statement of Cash Flows	2005	2004
	\$	\$
Cash flows from operating activities		
Donations received	121,815	82,349
Interest received	824	177
Other income	6,145	7,236
Payment to suppliers	(9,286)	(7,899)
Payments to projects	<u>(116,639)</u>	<u>(90,743)</u>
Net Cash expended from Operating Activities	2,859	(8,881)
Cash at beginning of the year	<u>28,654</u>	<u>37,535</u>
Cash at end of the year	<u><u>31,513</u></u>	<u><u>28,654</u></u>
Notes to the Statement of Cash Flows		
(a) For the purpose of this statement cash equals:		
Cash at Bank	<u>31,513</u>	28,654
	<u><u>31,513</u></u>	<u><u>28,654</u></u>
(b) Reconciliation of net cash from Operating Activities to Operating (Deficit)		
Operating (Deficit)		(8,881)
Operating Surplus	2,859	
Add increase (decrease) in payables		-
Net Cash from Operating Activities	<u><u>2,859</u></u>	<u><u>\$(8,881)</u></u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE, 2005.

NOTE 1 – Summary of Significant Accounting Policies

The company is not a reporting entity because, in the Directors' 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.

The Directors are of the opinion that the accounts present a true and fair view of the results for the year ended 30 June 2005. The company has applied accounting standard AASB 1025 "Application of the Reporting Entity Concept and other Amendments". 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 2005, the company had no liabilities. 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 organization, the Directors believe that the Foundation is not subject to income tax for the year.

NOTE 5 Adoption of International Financial Reporting Standards

Following adoption by Australia of the International Standards, African Aids Foundation is required to adopt the international standards in its financial reports next year, with any accounting adjustment to be made effective 1 July 2004. In the financial report for 2005, it is required to disclose and quantify the effect of any material changes that will be required to its financial reports as at 1 July 2004. The directors, in conjunction with the auditors, have reviewed the new standards and are of the opinion that there will be no material change to the financial position as at 1 July 2004 or to the financial result for the year ended 30 June 2005 arising from the adoption of the new international standards.

NOTE 6 – Information required under the Charitable Fundraising Act 1991

	2005	2004
	\$	\$
Gross Proceeds from fundraising appeals	5,675	6,933

The Foundation made general appeals for funds during the year with no significant special appeals. Expenses for appeals were nominal and primarily comprised printing postage and stationery of a minor nature.

A comparison of the cost of fundraising to gross income earned from fundraising is therefore not relevant to the activities of the organisation at this stage.

Expenses, which are not covered by a specific appeal, are covered by the general funds of the Foundation.



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INDEPENDENT AUDIT REPORT

TO: The members, African Aids Foundation,

We have audited the general purpose financial report of the African Aids Foundation for the year ended 30 June 2005. The company's directors are responsible for the preparation and presentation of the financial report and the information they contain. The independent audit of these accounts has been conducted in order to express an opinion on them.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Accounting Standards and other mandatory professional requirements and statutory requirements so as to present a view of the company which is consistent with our understanding of the financial position and results of operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion,

1. the financial report of African Aids Foundation is in accordance with:
 - (a) The Corporations Act including:
 - (i) compliance with accounting standards and regulations; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2005 and of its financial performance and cashflows for the year ended on that date; and
 - (b) other mandatory professional reporting requirements.
2. The financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations.
3. 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.

Dated 30 August 2005
 Miranda NSW


 Lawrence R Green FCA
 Shedden & Green Partners

"Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994(NSW)"