

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS
Registered under Societies Act 1966, number 2006/17

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2008

Moores Rowland (Lesotho)

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

FINANCIAL STATEMENTS

For the year ended 31 December 2008.

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EXECUTIVE COMMITTEE APPROVAL

These Statements were approved by the Management Committee on the 11/11 2009
and signed on its behalf by:



Signature



Signature

Moore's Rowland

Chartered Accountants and Business Advisors

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Report of the Independent Auditors to the Project Advisory Council of:

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

We have audited the annual financial statements set out on pages 2 to 9 for the year ended 31 December 2008. These financial statements are the responsibility of the organisation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 as to whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting policies used and significant estimates made by management, and evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the organisation as at 31 December 2008, and the results of its operations for the year then ended, in accordance with the accounting policies set-out therein.



Moore's Rowland (Lesotho)

11 November 2009



Partners : A S McAlpine, M Moleko, Associate : M Fako

Moore's Rowland (Lesotho), a partnership established under the laws of Lesotho is an associate firm of Praxity, AISBL, a global alliance of independent firms.

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GLOBAL ALLIANCE OF
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APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

BALANCE SHEET AS AT 31 DECEMBER , 2008

	Notes	2008 (12 Months) <u>M</u>	2007 (9 Months) <u>M</u>
ASSETS			
Non Current Assets		1,046,673	710,535
Property, Plant and Equipment	7	1,046,673	710,535
Current Assets		3,766,002	4,885,600
Bank and Cash	8	3,758,502	3,209,941
Accounts Receivable	9	7,500	1,675,659
Total Assets		<u>4,812,675</u>	<u>5,596,135</u>
EQUITY AND LIABILITIES			
Funds and Reserves		4,296,611	5,439,511
Unrestricted Funds at beginning of the Year		3,990,954	-
(Deficit) / Surplus for the Year		(165,437)	3,990,954
Restricted Funds	6	471,094	1,448,557
Current Liabilities		516,065	156,624
Accounts Payable	10	516,065	156,624
Total Equity and Liabilities		<u>4,812,675</u>	<u>5,596,135</u>

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

CASH FLOW STATEMENT

For the year ended 31 December 2008

	2008 (12 Months) <u>M</u>	2007 (9 Months) <u>M</u>
Cash flow from operating activities:		
Net (Deficit) / Surplus	(165,437)	3,990,954
Adjusted for:		
Depreciation	<u>185,716</u>	<u>127,693</u>
	20,279	4,118,647
Decrease/(Increase) in Accounts Receivable	1,668,159	(1,675,659)
(Decrease)/Increase in Accounts Payable	<u>359,440</u>	<u>156,624</u>
Net cash flow from Operating Activities	2,047,878	2,599,612
Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(521,854)	(838,228)
Cash Flow From Financing Activities:		
(Decrease)/Increase in Restricted Funds	<u>(977,463)</u>	<u>1,448,557</u>
Net cash flow from Financing Activities	548,561	3,209,941
Cash and Cash Equivalent at end of the beggining	3,209,941	-
Cash and Cash Equivalent at end of the year	<u><u>3,758,502</u></u>	<u><u>3,209,941</u></u>

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December, 2008

1. The Objective of the Organisation

The organisation's overarching goal is to contribute to:
Poor women and men remaining healthy, productive and sustain their jobs
and Lesotho's apparel industry remaining competitive.

The programme's interventions will attain the following purpose:

To reduce absenteeism, morbidity and mortality among the workforce of Lesotho's apparel industry' by ensuring a comprehensive prevention, treatment, care and support programme within the workplace, especially for HIV positive employees and their dependent

This is achieved by implementing or facilitating the following programmes:

A comprehensive prevention programme across the Lesotho apparel industry

A comprehensive treatment, care and support programme within the workplace for HIV positive employees and their dependents that is aligned to national policy frameworks and guidelines

In pursuing the above goal, the programme is committed to the following core values:

Provision of quality medical services
Reducing new infections and enhancing preventative Measures
Improving productivity in the apparel sector
Dealing with the stigma of HIV&AIDS
Contribute to fair labour practices
Add value to donor funding & other stakeholders

2. Corporate Identity

ALAFA is a voluntary organisation established in the Kingdom of Lesotho.
Registered office is Puma House, 12 United Nations Road, Maseru.

3. Accounting Policies

The Financial Statements are prepared on the historical cost basis and incorporate the following principal accounting policies:

3.1 Accrual basis

The financial statements are prepared under the accrual basis of accounting.

3.2 Fixed Assets

The purchase of fixed asset is reflected initially by the cost of such assets being charged to the relevant fund, and then an entry is made debiting fixed assets and crediting a fund designated as 'funds invested in fixed assets'. Disposal of fixed assets are similarly recorded.

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December, 2008

3.3 Depreciation of fixed assets

3.3.1 Depreciation of fixed assets is calculated on the reducing balance basis, at rates designed to reduce the book values to estimated residual value over the assets expected useful lives. The annual rates are as follows:

Computer Equipment	25%
Furniture Fittings and Equipment	20%
Motor Vehicles	25%
Software	50%

3.3.2 An amount equivalent to the charge for depreciation is transferred from the ' funds invested in fixed assets to the income and expenditure account.

4. Fund Accounting

- The records of the organisation adhere to Fund Accounting whereby resources for various purposes are classified into fund groups as follows:
- Restricted Funds: Funds that are subject to specific conditions imposed by the donors and binding on the Trustee..
- Unrestricted Funds: Funds with no condition attached.

5. Comparatives

2007 comparative figures have been included in the financial statements, however it should be noted that 2007 was only for nine months.

6. Restricted Funds

	Levi Strauss <u>M</u>	Wal-Mart Foundation <u>M</u>	Total <u>M</u>
Receipts during 2008	731,250	-	731,250
Payments during 2008	<u>(411,878)</u>	<u>(1,296,835)</u>	<u>(1,708,713)</u>
Surplus / (Deficit) for the year	319,372	(1,296,835)	(977,463)
Balance at 31 December 2007	366,945	1,081,612	1,448,557
Balance at 31 December 2008	<u><u>686,317</u></u>	<u><u>(215,223)</u></u>	<u><u>471,094</u></u>

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December, 2008

7. Property, Plant and Equipment

Owned Assets	Cost/ Valuation	<u>2008</u> Accumulated Depreciation	Carrying Valuation
	<u>M</u>	<u>M</u>	<u>M</u>
Computer Equipment	268,030	92,193	175,837
Furniture Fittings and Equipment	246,218	65,059	181,159
Motor Vehicles	391,585	140,895	250,690
Software	454,247	15,260	438,987
	<u>1,360,080</u>	<u>313,407</u>	<u>1,046,673</u>

Reconciliation of non current assets carrying amount

	Carrying value at end of the year 31-Dec-2007	Additions during 2008	2008 Depreciation	Carrying value at end of the year 31-Dec-2008
	<u>M</u>	<u>M</u>	<u>M</u>	<u>M</u>
Computer Equipment	189,809	35,815	49,786	175,837
Furniture Fittings and Equipment	183,486	36,760	39,087	181,159
Motor Vehicles	334,253	-	83,563	250,690
Software	2,987	449,279	13,278	438,987
	<u>710,534</u>	<u>521,854</u>	<u>185,715</u>	<u>1,046,673</u>

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2008

	2008 (12 Months) <u>M</u>	2007 (9 Months) <u>M</u>
8. Bank and Cash		
Nedbank Call Account	2,625,813	2,979,299
ABSA Investment Account	269,311	239,110
Nedbank Current Account	(15,970)	(10,550)
Fixed Deposit Account	875,758	-
Petty Cash Petrol	1,240	1,435
Petty Cash General	2,350	647
	<u><u>3,758,502</u></u>	<u><u>3,209,941</u></u>
	<u>M</u>	<u>M</u>
9. Accounts Receivable		
Deposit for rent	7,500	7,500
ComMark receivable	-	1,667,959
Staff advances	-	200
	<u><u>7,500</u></u>	<u><u>1,675,659</u></u>
	<u>M</u>	<u>M</u>
10. Accounts Payable		
Expense accruals	462,491	116,624
Provision for severance pay	13,574	-
Audit fees	40,000	40,000
	<u><u>516,065</u></u>	<u><u>156,624</u></u>

APPAREL LESOTHO ALLIANCE TO FIGHT AIDS

DONOR CASHFLOW STATEMENT

For the year ended 31 December 2008

INCOME	Irish Aid		Gap Inc.		Edun		EU		Nordstrom		ALAFA		DFID		Levi-Strauss		Wai Mart		Total 2008	
	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Interest Income	-	-	-	-	-	-	-	-	-	-	290,737	-	-	-	-	-	-	-	290,737	
Funds Received	1,857,711	-	399,533	-	2,414,842	-	2,156,559	-	741,757	-	-	-	1,007,717	-	731,250	-	-	-	9,309,369	
Donations in-kind	-	-	-	-	-	-	-	-	-	-	2,547	-	-	-	-	-	-	-	2,547	
Total Income	1,857,711	-	399,533	-	2,414,842	-	2,156,559	-	741,757	-	293,284	-	1,007,717	-	731,250	-	-	-	9,602,653	

EXPENDITURE

Policy/Management Training	83,890	-	-	46,299	-	-	-	-	10,878	-	-	-	27,236	-	-	-	-	-	168,303	
Prevention - IEC M & A	-	1,000	-	2,725	-	-	-	-	1,461	-	-	-	600	-	-	-	-	-	568,690	
Prevention - Condoms	30,000	-	-	160,000	-	-	-	-	5,400	-	-	-	102,945	-	-	-	-	-	298,345	
Prevention - Peer Education	5,478	-	-	145,976	-	-	-	-	10,280	-	-	-	948	-	411,878	-	-	-	1,176,911	
Prevention - VCT	40,596	-	-	529,439	-	-	-	-	161,808	-	-	-	65,078	-	-	-	-	-	796,921	
Care & Treatment	333,969	-	248,581	1,008,001	-	-	-	-	462,516	-	-	-	226,276	-	-	-	-	-	2,279,342	
Medical Monitoring Costs	197,934	-	-	205,269	-	-	79,250	-	118,400	-	-	-	122,012	-	-	-	-	-	722,866	
Prevention - Program Coordination	4,338	-	-	51,109	-	-	-	-	116,322	-	-	-	22,625	-	-	-	-	-	111,562	
Prevention - PMTCT	38,559	-	134,522	158,505	-	-	-	-	44,050	-	-	-	44,050	-	-	-	-	-	491,957	
Depreciation	78,699	-	683	1,315	-	-	11485	-	2,437	-	-	-	91,097	-	-	-	-	-	185,716	
Consultation	-	-	-	-	-	-	-	-	-	-	-	-	97,219	-	-	-	-	-	97,219	
Counselling	6,681	-	-	28,757	-	-	-	-	-	-	-	-	19,061	-	-	-	-	-	54,499	
Core Management Programme	22,130	-	-	72,372	-	-	-	-	80,105	-	-	-	14,500	-	-	-	-	-	189,107	
Core Management Administration	811,049	-	8,865	887,376	-	-	-	-	55,365	-	-	-	523,735	-	-	-	-	-	2,286,391	
Operating Costs General	141,822	-	-	415,616	-	-	-	-	81,770	-	-	-	97,200	-	-	-	-	-	736,409	
Operating Costs M & F	45,718	-	-	110,401	-	-	-	-	148,197	-	-	-	47,724	-	-	-	-	-	374,435	
Mobilisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,396	-	15,141	
Monitoring and Evaluation	19,308	-	-	22,605	-	-	-	-	65,776	-	-	-	8,675	-	-	-	60,551	-	176,915	
STI Treatment	7,344	-	-	19,672	-	-	-	-	35,566	-	-	-	23,689	-	-	-	-	-	86,271	
Hardship Payment for Workers Edun	-	-	-	8,283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,283	
Total Expenditures	1,867,514	-	393,651	3,873,719	-	-	90,735	-	1,356,281	-	-	-	1,534,670	-	411,878	-	1,296,833	-	10,825,282	
Purchase of Fixed Assets	17,700	-	-	98,479	-	-	355,000	-	26,995	-	-	-	23,680	-	-	-	-	-	521,854	
Depreciation	(78,699)	-	(683)	(1,315)	-	-	(11,485)	-	(2,437)	-	-	-	(91,097)	-	-	-	-	-	(185,715)	
Total Cash Payments	1,806,516	-	392,968	3,970,883	-	-	434,250	-	1,380,839	-	-	-	1,467,254	-	411,878	-	1,296,833	-	11,161,420	
Surplus/(Deficit) for the year	51,195	-	6,565	(1,556,041)	-	-	1,722,309	-	(639,082)	-	293,284	-	(459,537)	-	319,372	-	(1,296,833)	-	(1,558,767)	
Funds available at 31-12-2007	(26,893)	-	303,170	1,664,520	-	-	-	-	1,134,125	-	205,497	-	-	-	366,945	-	1,081,612	-	4,728,976	
Funds available at 31-12-2008	24,302	-	309,735	108,479	-	-	1,722,309	-	495,043	-	498,781	-	-	-	686,317	-	(215,221)	-	3,170,209	

Net movement in Accounts Receivable / Payable during 2007

Net movement in Accounts Receivable / Payable during 2008

Bank and Cash Balance at 31-12-2008

(1,519,035)
2,107,328
3,758,502