

**Human Rights Development Initiative NPC  
(Registration number 2004/026920/08)**

**Financial statements**

**for the year ended 31 December 2014**

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**Financial statements**

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**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To promote the adoption and effective implementation of international and regional human rights norms and standards in societies in the continent of Africa.
<b>Directors</b>	Aubrey Vance McCutcheon Asha Sharmila Ramgobin Dan Mikael Bengtsson Mothomang Diaho Narandran Jody Kollapen Pierre Waldemar Brouard Ronald Thandabantu Nhlapo
<b>Registered office</b>	909 Stanza Bopape Street Arcadia Pretoria 0083
<b>Auditors</b>	PricewaterhouseCoopers Inc.
<b>Company registration number</b>	2004/026920/08
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The financial statements were independently compiled by: L Muller CA (SA)
<b>Published</b>	<u>20 June 2015</u>

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**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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The directors are required, in terms of the Companies Act, of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Code of Corporate Practices and Conduct has been integrated into company strategies and operations.

The directors are 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 6.

The external auditors were given unrestricted access to all financial policy and records, procurement policy and records and related data, records of organisations to whom funds were channelled including financial contribution agreements, proof of disbursements, activity reports and minutes of all meetings of members and the board of directors. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The financial statements and additional schedules set out on pages 7 to 21, which have been prepared on the going concern basis, were approved and signed by the directors on 20/6/2015 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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**Directors' Report**

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The directors submit their report for the year ended 31 December 2014.

**1. Review of activities**

**Main business and operations**

The company is engaged in the promotion of the adoption and effective implementation of international and regional human rights norms and standards in societies in the continent of Africa and operates principally in South Africa.

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

**Registered Office**

909 Stanza Bopape Street  
Arcadia  
Pretoria  
0083

**2. Going concern**

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

**3. Events after the reporting period**

SIDA has approved a no cost extension on the funding of the project until 31 December 2015.

**4. Directors**

The directors of the company during the year and to the date of this report are as follows:

<b>Name:</b>	<b>Nationality</b>
Asha Sharmila Ramgobin	RSA
Aubrey Vance McCutcheon	USA
Dan Mikael Bengtsson	Sweden
Mothomang Diaho	RSA
Narandran Jody Kollapen	RSA
Pierre Waldemar Brouard	RSA
Ronald Thandabantu Nhlapo	RSA

**5. Secretary**

The company had no secretary during the year.

**6. Auditors**

PricewaterhouseCoopers Inc. continued in office as auditors of the company in accordance with section 90 of the Companies Act of South Africa.





## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HUMAN RIGHTS DEVELOPMENT INITIATIVE NPC**

We have audited the financial statements of Human Rights Development Initiative NPC set out on pages 7 to 20, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### *Director's Responsibility for the Financial Statements*

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Human Rights Development Initiative NPC as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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T: +27 (12) 429 0000, F: +27 (12) 429 0100, [www.pwc.co.za](http://www.pwc.co.za)

*Other reports required by the Companies Act*

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

*Other matter*

The supplementary information set out on page 21 does not form part of the financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion thereon.

Price Waterhouse Coopers Inc.

**PricewaterhouseCoopers Inc.**

**Director: J Rossouw**

**Registered Auditor**

**Pretoria**

**Date: 20 June 2015**

**Human Rights Development Initiative NPC**  
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**Financial statements for the year ended 31 December 2014**

**Statement of Financial Position as at 31 December 2014**

	Notes	2014 R	2013 R	2012 R
<b>ASSETS</b>				
<b>Non-current assets</b>		-	-	-
Property, plant and equipment	4	-	-	-
<b>Current assets</b>		6,392,888	6,713,356	3,739,228
Trade and other receivables	5	126,301	133,972	176,583
Cash and cash equivalents	6	6,066,157	6,579,384	3,562,645
Other financial assets	7	200,430	-	-
<b>TOTAL ASSETS</b>		<b>6,392,888</b>	<b>6,713,356</b>	<b>3,739,228</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		-	-	-
Retained income	16	-	-	-
<b>Liabilities</b>				
<b>Current liabilities</b>		6,392,888	6,713,356	3,739,228
Trade and other payables	8	370,604	1,252,613	918,614
Deferred revenue	15	6,022,284	5,460,743	2,820,614
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,392,888</b>	<b>6,713,356</b>	<b>3,739,228</b>

The notes on pages 16-20 are an integral part of these financial statements



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**Statement of Comprehensive income**

	Notes	2014 R	2013 R
Revenue	9, 15	5,535,450	4,786,263
Other income- foreign exchange gain		4,642	2,575
Operating expenses	10	(5,540,092)	(4,788,838)
<b>(Loss) / Surplus for the year</b>		-	-
Other comprehensive income		-	-
<b>Total comprehensive (loss) / surplus</b>		-	-

The notes on pages 16-20 are an integral part of these financial statements

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**Statement of Cash Flows**

	Notes	2014 R	2013 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from donors		5,038,799	7,423,559
Cash paid to suppliers and employees		(5,347,128)	(4,398,838)
Cash generated from operations	12	(308,329)	3,024,721
Interest received		3,129	2,833
<b>Net cash from operating activities</b>		<b>(305,200)</b>	<b>3,027,554</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	4	-	(4,634)
Transfer to Stanlib Retention Fund		(200,430)	-
<b>Net cash from investing activities</b>		<b>(200,430)</b>	<b>(4,634)</b>
<b>Total cash and cash equivalents movement for the year</b>		<b>(505,630)</b>	<b>3,022,920</b>
Cash and cash equivalents at beginning of the year	6	6,579,384	3,562,645
Exchange gain on cash and cash equivalents		4,642	2,575
Market value adjustment on investment account		(12,238)	(8,756)
<b>Cash and cash equivalents and the end of the year</b>	6	<b>6,066,157</b>	<b>6,579,384</b>

The notes on pages 16-20 are an integral part of these financial statements

**Human Rights Development Initiative NPC**  
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**Financial statements for the year ended 31 December 2014**

**Accounting Policies**

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**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the International Financial Reporting Standards, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 PROPERTY, PLANT AND EQUIPMENT**

Although property, plant and equipment was accounted for at cost less accumulated depreciation in prior periods, it was decided that, as of 1 January 2006, all capital items purchased are to be written off to the statement of comprehensive income in the year of purchase.

**1.2 FINANCIAL INSTRUMENTS**

**Classification**

The company classifies financial assets and financial liabilities into the following categories:

- Receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

**Initial recognition and measurement**

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

**Subsequent measurement**

Receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

The Stanlib investment is remeasured at year end to the market value.

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**Accounting Policies**

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**1.2 FINANCIAL INSTRUMENTS (CONTINUED)**

**Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

**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**

**i) Donations**

Donation income is accounted for on an accrual basis in accordance with the substance of the relevant agreements.

Revenue comprises of the fair value of the consideration received or receivable from donations in the ordinary course of the Company's activities.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

**ii) Grants**

Grant income is recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no further related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the profit or loss.

Repayment of a grant related to income is applied, first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

**iii) Interest income**

Interest income comprises of interest earned on investment and current bank accounts.



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**Accounting Policies**

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**1.4 Translation of foreign currencies**

**Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

**1.5 LEASES**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**Operating leases- lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

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**Accounting Policies**

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**2. NEW STANDARDS AND INTERPRETATIONS**

**2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

**Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities**

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The company has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

**Amendments to IAS36: Recoverable Amount Disclosures for Non- Financial Assets**

The amendments to IAS 36 Impairment of Assets now require:

- Disclosures to be made of all assets which have been impaired, as opposed to only material impairments,
- The disclosure of each impaired asset's recoverable amount, and
- Certain disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the requirements of IFRS 13 Fair Value Measurement.

The effective date of the amendment is for years beginning on or after January 2014.

The company has adopted the amendment for the first time in the 2014 financial statements.

The impact of the amendment is not material.

**2.2 Standards and interpretations not yet effective or relevant**

**Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project**

The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The company does not envisage the adoption of the amendment until such time as it becomes applicable to the company's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.

**IFRS 13 Amendment to IFRS 13: Fair Value Measurement: Annual improvements project**

The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48-51 and 53-56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The company does not envisage the adoption of the amendment until such time as it becomes applicable to the company's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.



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**Financial statements for the year ended 31 December 2014**

**Accounting Policies**

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**2.2 Standards and interpretations not yet effective or relevant (Continued)**

**IFRS 9 Financial Instruments**

This new standard is the result of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities as well as new hedging requirements. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the company changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.
- The new hedging provisions align hedge accounting more closely with the actual risk management approach.
- Certain non-derivative financial instruments are now allowed as hedging instruments.
- Additional exposures are allowed as hedged items. These exposures include risk components of nonfinancial items, net positions and layer components of items, aggregated exposures combining derivative and non-derivative exposures and equity instruments at fair value through other comprehensive income.
- The hedge effectiveness criteria have been amended, including the removal of the 80%-125% "bright line test" to qualify for hedge accounting.
- The concept of rebalancing has been introduced when the hedging relationship is ineffective because the hedge ratio is no longer appropriate. When rebalancing is required, and provided the risk management objective remains the same, the hedge ratio is adjusted rather than discontinuing the hedging relationship.
- Additional disclosure requirements have been introduced for hedging.

The effective date has not yet been established as the project is currently incomplete. The IASB has communicated that the effective date will not be before years beginning on or after 1 January 2018. IFRS 9 may be early adopted. If IFRS 9 is early adopted, the new hedging requirements may be excluded until the effective date.

The company does not envisage the adoption of the standard until such time as it becomes applicable to the company's operations.

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**Financial statements for the year ended 31 December 2014**

**Accounting policies**

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**3. RISK MANAGEMENT**

**Financial risk management**

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

**Liquidity risk**

Cash flow forecasting is performed in the operating entities of the company and aggregated by company finance. Management monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

The company invests surplus cash in investment accounts, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

**Interest rate risk**

As the company has no significant interest -bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

**Credit risk**

Credit risk consist mainly of cash equivalents. The company only deposit cash with major banks with high quality credit standing and limits exposure to any one counter-party.

**Credit rating**

Standard Bank- F1+



## NOTES TO THE FINANCIAL STATEMENTS

**Human Rights Development Initiative NPC**  
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**Financial statements for the year ended 31 December 2014**

**NOTES TO THE FINANCIAL STATEMENTS**

	2014 R	2013 R
<b>5. Trade and other receivables</b>		
Deposits	22,000	22,000
South African Revenue Services- VAT receivable	46,772	43,319
Prepayments	23,298	36,147
Interest receivable	34,231	30,249
Other receivables	-	2,257
	<b>126,301</b>	<b>133,972</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consists of:		
Cash on hand	33,123	12,023
Bank balances	6,033,033	6,567,361
	<b>6,066,157</b>	<b>6,579,384</b>
<b>7. OTHER FINANCIAL ASSETS</b>		
Stanlib Enhanced Yield ABIL Retention Fund	200,430	-
<b>8. TRADE AND OTHER PAYABLES</b>		
Other accruals	98,758	106,117
Operating lease accrual	-	36,661
Leave accrual	271,846	288,738
Interest due to SIDA	-	821,097
	<b>370,604</b>	<b>1,252,613</b>
<b>9. REVENUE</b>		
Sida Donation income	5,532,321	4,783,430
Sundry interest	3,129	2,833
	<b>5,535,450</b>	<b>4,786,263</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	2014 R	2013 R
<b>10. EXPENSES BY NATURE</b>		
Auditors remuneration	98,500	92,000
Lease rentals on operating lease	226,358	226,361
Building partnerships and community outreach	139,102	88,528
Training- Building cadre of social justice outreach	99,825	100,598
Student costs- Building a cadre of social justice lawyers	631,424	606,078
Legal services- Developing human rights jurisprudence	96,811	116,702
Direct contributions- ULC	696,125	474,750
Developing centres of excellence	46,212	33,779
Development of structured network	334,919	141,560
ACHPR, REC and other Meetings	625,972	602,907
Manual work with PLHIV - grassroots	33,099	7,688
Office running costs	119,544	108,714
Overheads	62,743	63,074
Governance	18,727	3,171
Furniture, fittings and equipment (Depreciation)	-	4,634
Loss on market value adjustment	12,238	8,756
Salaries and related costs	2,151,783	1,992,109
Professional fees	146,709	117,429
	<b>5,540,092</b>	<b>4,788,838</b>
Total distribution and administrative expenses		
<b>11. INCOME TAX EXPENSE</b>		
No provision has been made for 2014 tax as the company is registered as a non-profit organisation and is therefore exempt from taxation.		
<b>12. CASH GENERATED FROM OPERATIONS</b>		
(Loss)/surplus before taxation	-	-
<b>Adjustments for:</b>		
Depreciation	-	4,634
Interest received	(3,129)	(2,833)
Foreign exchange gain/loss	(4,642)	(2,575)
Market value adjustment on investment accounts	12,238	8,756
<b>Changes in working capital</b>		
Trade and other receivables	7,671	42,611
Trade and other payables	(882,008)	333,999
Deferred revenue	561,541	2,640,129
	<b>(308,329)</b>	<b>3,024,721</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

	2014	2013
<b>13. COMMITMENTS</b>		
<b>Operating leases- as lessee (expense)</b>		
The future aggregate minimum lease payments under non-cancellable operating lease are as follows:		
- no later than 1 year	153,427	263,018
- later than 1 year and no later than 5 years	-	-
	<u>153,427</u>	<u>263,018</u>

Operating lease payments represent rentals payable by the company for its office properties.

**14. RELATED PARTY TRANSACTIONS**  
**Directors remuneration for management services:**

Salaries for executive directors

1,536,227	1,409,563
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	2014	2013	2012
<b>15. DEFERRED REVENUE</b>			
Opening balance	5,460,743	2,820,614	2,753,523
Funds received during period	5,038,799	7,423,559	5,984,812
Interest donated	1,055,063	-	-
Applied against expenses	(5,532,321)	(4,783,430)	(5,917,721)
	<u>6,022,284</u>	<u>5,460,743</u>	<u>2,820,614</u>

In December 2014, SIDA donated the accrued interest on the Investment account as a grant to form part of the funds to be applied for the 2015 period.

**16. RESTATEMENT**

SIDA grants were previously accounted for as accumulated surplus on receipt, which have been re-classified to deferred revenue in terms of the contract with SIDA as set out in note 15.

	2013	2012
<b>Statement of financial position</b>		
Retained income	(5,460,743)	(2,820,614)
Deferred revenue	5,460,743	2,820,614
<b>Statement of comprehensive income</b>		
Revenue	(2,640,129)	-



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**NOTES TO THE FINANCIAL STATEMENTS**

	2014	2013
<b>17. RELATED PARTY TRANSACTIONS</b>		
Directors remuneration for management services:		
AS Ramgobin	801,567	741,528
DM Bengtsson	734,660	668,035
	1,536,227	1,409,563

**18. GOING CONCERN**

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

**19. EVENTS AFTER REPORTING PERIOD**

SIDA has approved a no cost extension on the funding of the project until 31 December 2015.

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**Detailed income statement**

	Notes	2014 R	2013 R
<b>Revenue</b>	9	<b>5,535,450</b>	<b>4,786,263</b>
Donation income		5,532,321	4,783,430
Sundry interest		3,129	2,833
<b>Other income</b>		<b>4,642</b>	<b>2,575</b>
Foreign exchange gains		4,642	2,575
<b>Operating expenses</b>	10	<b>5,540,092</b>	<b>4,788,838</b>
Building partnerships and community outreach		139,102	88,528
Training- Building cadre of social justice outreach		99,825	100,598
Student costs- Building a cadre of social justice lawyers		631,424	606,078
Legal services- Developing human rights jurisprudence		96,811	116,702
Direct contributions- ULC		696,125	474,750
Developing centres of excellence		46,212	33,779
Development of structured network		334,919	141,560
ACHPR, REC and other Meetings		625,972	602,907
Manual work with PLHIV - grassroots		33,099	7,688
Office running costs		119,544	108,714
Overheads		289,101	289,435
Governance		18,727	3,171
Furniture, fittings and equipment (Depreciation)		-	4,634
Loss on market value adjustment		12,238	8,756
Salaries and related costs		2,151,783	1,992,109
Professional fees		245,209	209,429
Surplus for the year		-	-
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>-</b>	<b>-</b>

The supplementary information presented does not form part of the financial statements and is unaudited.