HUMAN RIGHTS DEVELOPMENT INITIATIVE
(Incorporated under section 21)
(Registration no: 2004/026920/08)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

PRICEWATERHOUSECOOPERS

HUMAN RIGHTS DEVELOPMENT INITIATIVE
(Incorporated under section 21)
(Registration no 2004/026920/08)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTORS:	Aubrey Vance McCutcheon Evelyn Ama Ankumah Dan Mikael Bengtsson Dennis Roy Tollborg Narandran Jody Kollapen Ibrahima Amara Kane Asha Sharmila Ramgobin Ronald Thandabantu Nhlapo
AUDITORS:	PricewaterhouseCoopers Inc.
REGISTERED OFFICE:	29 Princess of Wales Terrace Parktown 2198

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HUMAN RIGHTS DEVELOPMENT INITIATIVE
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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2006

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Human Rights Development Initiative (Incorporated under section 21). The financial statements presented on pages 2 to 11 have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa, and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts. These financial statements support the viability of the company.

The financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. PricewaterhouseCoopers Incorporated's audit report is presented on page 3.

These financial statements have been approved by the Board of Directors on 1/4/2007 and signed on their behalf:

DIRECTOR

DIRECTOR

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Inc
Reg. no. 1998/012055/21
32 Ida Street
Menlo Park
P O Box 35296
Menlo Park 0102
Telephone +27 (12) 429 0000
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUMAN RIGHTS DEVELOPMENT INITIATIVE (Incorporated under section 21)

We have audited the annual financial statements of Human Rights Development Initiative (Incorporated under section 21) which comprise the directors' report, the balance sheet as at 31 December 2006, the income statement, the statement of changes in equity, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 12.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 the directors, 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 the company as at 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

Departure from South African Statements of Generally Accepted Accounting Practice

Without qualifying our opinion above, we draw attention to the fact that the presentation of the financial statements is not in accordance with South African Statements of Generally Accepted Accounting Practice with respect to fixed assets. The company does not capitilise the fixed assets as required by the statements but rather expenses fixed assets in the year of purchase, refer to note 3 of the financial statements for effect thereof. The company does however maintain a complete fixed asset register.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: PI Heslinga
Registered Auditor

PRETORIA
Date : 16.10.2007

HUMAN RIGHTS DEVELOPMENT INITIATIVE
(Incorporated under section 21)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

1. NATURE OF BUSINESS

The main objective of the company is to promote the adoption and effective implementation of international and regional human rights norms and standards in societies within the continent of Africa.

2. REVIEW OF OPERATIONS

The financial position of the company is in the opinion of the directors' clearly reflected in the attached financial statements.

3. DIRECTORS AND SECRETARY

The directors throughout the year were:

Aubrey Vance McCutcheon
Evelyn Ama Ankumah
Dan Mikael Bengtsson
Dennis Roy Tollborg
Narandran Jody Kollapen
Ibrahima Amara Kane
Asha Sharmila Ramgobin
Ronald Thandabantu Nhlapo

The company has not appointed a secretary.

Business address:

909 Church Street
Arcadia
Pretoria
0083

4. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the annual financial statements, that would affect the operations of the company or the results of those operations significantly.

5. AUDITORS

PricewaterhouseCoopers Inc will continue in office.

HUMAN RIGHTS DEVELOPMENT INITIATIVE
(Incorporated under section 21)

BALANCE SHEET
AT 31 DECEMBER 2006

	Note	2006 R	2005 R
ASSETS			
Non current assets		-	6 353
Property, plant and equipment	3	-	6 353
Current assets		2 714 856	1 414 723
Deposits		22 000	-
Cash and cash equivalents	5	2 631 743	1 414 705
SARS - VAT		61 113	18
TOTAL ASSETS		2 714 856	1 421 076
EQUITY AND LIABILITIES			
Equity		2 622 969	1 418 226
Retained earnings		2 622 969	1 418 226
Current liabilities		91 887	2 850
Payables and accruals	6	91 887	2 850
TOTAL EQUITY AND LIABILITIES		2 714 856	1 421 076

PRICEWATERHOUSECOOPERS

HUMAN RIGHTS DEVELOPMENT INITIATIVE
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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

		2006	2005
		R	R
INCOME			
Donations income		3 424 747	1 658 840
OPERATING EXPENSES		2 220 004	243 375
Accounting fees		18 929	3 350
Auditors remuneration		-	5 000
Bank charges		6 535	1 158
Capital expenditure		154 214	-
Computer expenses		4 803	2 448
Costs for work permit		-	9 575
Courier and postages		409	2 282
Depreciation		-	7 190
Direct contribution to ULC		79 557	
Directors remuneration	2	718 200	196 541
Insurance		10 679	-
Interest Paid		-	-
Lecturers supervision		221 636	-
Legal fees		3 000	
Material and resources		74 183	-
Meeting costs		32 905	-
Office supplies		5 725	-
Penalties - SARS		1 053	-
Photocopying and printing		4 731	1 162
Recruitment and relocation expenses		36 488	
Rent		110 000	-
Repairs, cleaning and maintenance		11 204	-
Salaries		209 003	-
Stationery		5 065	2 362
Student allowances		218 302	-
Student medical aid		14 974	
Student orientation and induction		4 630	-
Telephone and fax		20 148	12 307
Travel and accommodation		253 631	-
Net Operating Income	2	1 204 743	1 415 465
Net finance income	7	90 971	2 761
Finance income refundable to donor		(90 971)	-
- SIDA		(90 332)	-
- DANIDA		(639)	-
Net surplus for the period		1 204 743	1 418 226

PRICEWATERHOUSECOOPERS

HUMAN RIGHTS DEVELOPMENT INITIATIVE
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 R	2005 R
Opening balance at beginning of the period	1 418 226	-
Surplus for the period	1 204 743	1 418 226
Closing balance at 31 December 2006	2 622 969	1 418 226

HUMAN RIGHTS DEVELOPMENT INITIATIVE
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 R	2005 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from donors		2 276 498	1 658 839
Cash paid to suppliers		(1 128 431)	(233 352)
Cash generated from operations	9	1 375 485	1 425 487
Interest paid		-	(20)
Interest received		90 971	2 781
Net cash flow from operating activities		1 466 456	1 428 248
CASH FLOW FROM INVESTING ACTIVITIES		(249 418)	(13 543)
Acquisition of equipment		(227 418)	(13 543)
Deposit for rental		(22 000)	-
Net cash increase/(decrease) during the year		1 217 038	1 414 705
Cash and cash equivalents at beginning of the year		1 414 705	-
Cash and cash equivalents at end of the year		2 631 743	1 414 705

HUMAN RIGHTS DEVELOPMENT INITIATIVE
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SUMMARY OF ACCOUNTING POLICIES AT 31 DECEMBER 2006

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are set out below.

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with Statements of South African Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention, as modified by revaluation of financial assets and liabilities as set out below.

1.2 Financial instruments

Investments in financial assets are initially recognised at cost. Subsequently financial assets are re-measured at fair value, except for fixed maturity investments such as debt and loans. Financial instruments carried on the balance sheet include cash and bank balances, receivables, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.3 Trade receivables

Trade receivables originated by the company are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and bank balances excluding overdraft amounts, if any. Cash and cash equivalents are measured at fair values.

1.5 Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at year-end exchange rates.

1.6 Revenue recognition

Donation income is recognised as and when received.

1.7 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet

1.8 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 that all capital items purchased are to be written off to the income statement in the year of purchase. Therefore, the full carrying amount of property, plant and equipment at the end of December 2005, has been written off to the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

2. OPERATING PROFIT

The following items have been charged in arriving at the operating profit:

	2006 R	2005 R
Expenses		
Depreciation	-	7 190
Audit fees	-	5 000
Directors remuneration for other services (salaries)	718 200	196 541

3. PROPERTY,PLANT AND EQUIPMENT

	Computer Equipment	Computer Software	Office Equipment	Total
Year ended 31 December 2006				
Opening net book value	6 351	1	1	6 353
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation charge	(6 351)	(1)	(1)	(6 353)
Net book value end of year	-	-	-	-
At 31 December 2006				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net carrying amount	-	-	-	-
Fifteen months ended 31 December 2005				
Opening net book value	-	-	-	-
Additions	10 888	1 300	1 355	13 543
Disposals	-	-	-	-
Depreciation charge	(4 537)	(1 299)	(1 354)	(7 190)
Net book value end of year	6 351	1	1	6 353
At 31 December 2005				
Cost	10 888	1 300	1 355	13 543
Accumulated depreciation	(4 537)	(1 299)	(1 354)	(7 190)
Net carrying amount	6 351	1	1	6 353

The full balance have been written off to the income statement during the 2006
Fixed assets purchased in the current year amount to R 227 418. This is made up as follows:

Computer Equipment and software	148 108
Office Equipment	79 310
	227 418

4. CHANGE IN ACCOUNTING POLICY

The accounting policy for property, plant and equipment was changed from the current year to writing off any capital purchases to the income statement in the year of purchase. Effects as noted in note 3.

	2006 R	2005 R
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of cash on hand and balances with banks.		
Bank balances	2 631 743	1 414 705
6. PAYABLES AND ACCRUALS		
Loan from director - A Ramgobin	-	2 500
Accounting fee provision	-	350
SARS	916	-
Interest received refundable to donor	90 971	-
- SIDA	90 332	-
- DANIDA	639	-
	91 887	2 850
7. FINANCE INCOME		
Interest income	90 971	2 781
Interest expense	-	(20)
	90 971	2 761

8. TAXATION

The company is exempt for payment of income tax in terms of section 10(1)(CB)(I)(CC) of the income Tax Act of 1962

9. CASH (UTILISED IN)/GENERATED FROM OPERATIONS

	2006 R	2005 R
Surplus/(Deficit) before tax	1 204 743	1 418 226
Adjusted for:		
Depreciation	-	7 190
Interest paid	-	20
Capital expenditure	227 418	-
Write off of fixed assets	6 353	-
Interest received	(90 971)	(2 781)
Changes in working capital:		
Increase/(decrease) in trade and other receivables	(61 095)	(18)
Increase in other payables and accruals	89 037	2 850
Cash flows from operating activities	1 375 485	1 425 487

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ANNEXURE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

The annexure to the financial statements has been prepared for management information purposes only, and does not form part of the audited financial statements, accordingly no audit opinion is expressed thereon.

This is the summary of the format generally requested by funders when the company applies for funding.

No comparatives have been stated for the figures.

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TAILORED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 R
Donations Income	3 424 747
Interest received	90 971
Interest refundable to donors	(90 971)
Total expenses	2 220 004
Training	346 295
Student costs	356 181
Direct contributions - ULC	79 557
Community outreach	21 635
Regional governance	33 950
Salaries and wages	927 203
Staff costs	36 488
Professioal fees	21 929
Overheads	131 886
Office running costs	47 904
Governance	57 925
Conferences	3 784
Capital purchases	147 861
Interest and penalties	1 053
Fixed asset write off	6 353
Net surplus for the period	1 204 743