

**REPORT OF THE COMPTROLLER AND AUDITOR-GENERAL**

**TO**

**THE MINISTER OF HEALTH AND CHILD WELFARE**

**AND**

**THE BOARD OF DIRECTORS**

**IN RESPECT OF THE FINANCIAL STATEMENTS OF**

**NATIONAL AIDS COUNCIL OF ZIMBABWE**

**FOR THE YEAR ENDED DECEMBER 31, 2007.**

**Report on the Financial Statements**

I have audited the accompanying financial statements of National Aids Council, which comprise the balance sheet as at December 31, 2007 and the income statement, statement of changes in equity and cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 13.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Financial Reporting Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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 judgments, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of an except for opinion on compliance with International Financial Reporting Standards.**

**1 Non compliance with IAS 29**

1.1 The Zimbabwe economy is recognized as being hyperinflationary for purposes of financial reporting. These financial statements have not been prepared in conformity with International Accounting Standards in that the requirements of IAS 29, (Financial Reporting in Hyperinflationary Economies) have not been complied with. The standard requires that financial statements that report in the currency of a hyperinflationary economy should be stated in terms of the measuring unit at the balance sheet date.

The Council did not prepare inflation adjusted financial statements. The effect on the financial statements of the Council of not restating the Historical Cost figures are not reported.

**Except for opinion on non-compliance with International Financial Reporting Standards.**

In my opinion, except for the matters described above, the financial statements give a true and fair view of the financial position of the National AIDS Council of Zimbabwe as at December 31, 2007 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on legal and regulatory requirements.**

These financial statements have been properly prepared in accordance with the accounting policies set out in note 2, and comply with the requirements of the National Aids Council Act (Chapter 15:14) and the Audit and Exchequer Act (Chapter 22:03)

January 14, 2010.

M. Chiri


M. CHIRI,  
COMPTROLLER AND AUDITOR -GENERAL.

NATIONAL AIDS COUNCIL OF ZIMBABWE

BALANCE SHEET

for the year ended 31 December 2007

	Notes	2007	2006 \$
<b>EQUITY AND LIABILITIES</b>			
		<b>1 309 582 825 926</b>	<b>4 427 593 081</b>
Accumulated fund		1 309 582 825 926	4 427 593 081
<b>Current liabilities</b>			
		<b>28 137 207 020</b>	<b>210 698 223</b>
Creditors	8	28 042 515 672	210 698 223
Bank Overdraft		94 691 348	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 337 720 032 946</b>	<b>4 638 291 304</b>
<b>ASSETS</b>			
<b>Non- current assets</b>			
		<b>460 885 059</b>	<b>78 095 173</b>
Property ,plant & equipment	17	460 885 059	78 095 173
<b>Current assets</b>			
		<b>1 337 259 147 887</b>	<b>4 560 196 132</b>
Cash and cash equivalents	7.2	659 307 611 306	379 459 391
Interest receivable	4	9 142 662 652	9 549 757
Sundry debtors	6	668 686 864 064	4 150 356 194
Implementing partners	6.1	122 009 865	20 830 790
<b>TOTAL ASSETS</b>		<b>1 337 720 032 946</b>	<b>4 638 291 304</b>

18 DEC . , 2009.   
 REV M.C.KUCHERA,  
 (CHAIRMAN)

18 DEC . , 2009.   
 DR T.MAGURE,  
 (DIRECTOR)

NATIONAL AIDS COUNCIL OF ZIMBABWE

INCOME STATEMENT

for the year ended 31 December 2007

	Notes	2007 \$	2006 \$
<b>INCOME</b>		<b>1 816 429 344 576</b>	<b>5 768 966 737</b>
Aids levy		1 118 870 689 065	5 648 585 976
Revenue grant		449 393 942 320	48 521 861
Investment income	5	28 845 403 858	64 120 552
Exchange gain		218 778 068 635	-
Other income		541 240 698	6791 978
Profit on disposal of non-current assets		-	946 370
<b>EXPENDITURE</b>		<b>511 274 649 564</b>	<b>(1 721 203 709)</b>
HIV/AIDS programmes/intervention	10	145 426 741 539	894 192 444
Coordination/capacity building costs	11	172 135 069 782	196 551 546
UNAIDS HIV/AIDS supported programme	13	5 675 422	2 373 817
GFATM HIV/AIDS supported programme	12	95 324 915 129	20 049 949
Administration expenses	14	53 289 874 425	300 709 099
Board Expenses	15	2 369 534 432	-
Payroll costs	16	42 722 824 347	307 326 854
Loss on disposal of non-current assets		14 488	-
<b>SURPLUS FOR THE YEAR</b>		<b>1 305 154 695 012</b>	<b>4 047 763 028</b>

NATIONAL AIDS COUNCIL OF ZIMBABWE

STATEMENT OF CHANGES IN EQUITY

for the year ended December 31,2007

	Accumulated (Deficit)/Surplus \$	Total 2007 \$	Total 2006 \$
Balance December 31,2006	4 427 593 081	4 427 593 081	147 909 184
Prior year adjustments	537 833	537 833	231 920 869
Surplus for the year	1 305 154 695 012	1 305 154 695 012	4 047 763 028
<b>Balance December 31 ,2007</b>	<b>1 309 582 825 926</b>	<b>1 309 582 825 926</b>	<b>4 427 593 081</b>

