



**International Federation of Red Cross and
Red Crescent Societies Appeal
(MAA63003) – Southern Africa: Regional
HIV and AIDS Appeal**

Financial Statements

for the year ended 31 December 2009



International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Financial statements

for the year ended 31 December 2009

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International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Management's responsibility statement

Management is responsible for the preparation and presentation of the financial statements of the International Federation of Red Cross and Red Crescent Societies ("IFRC") Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal, comprising the income and expenditure statement for the year ended 31 December 2009 and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the basis of accounting described in note 2.

Management's responsibility includes the preparation and presentation of these financial statements on the basis of accounting policies described in note 2, for the purpose of providing information to IFRC partners and donors that have contributed to the Southern Africa Regional HIV and AIDS Appeal (MAA63003), and also includes: designing, implementing and maintaining internal control relevant to the preparation and 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.

Management's responsibility also includes maintaining adequate accounting records and an effective system of risk management.

Management has made an assessment of the entity's ability to continue as a going concern and has no reason to believe the entity will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are presented in accordance with the basis of accounting described in note 2.

Approval of the financial statements

The financial statements of IFRC, as identified in the first paragraph, were approved by management on 6 August 2010 and are signed on its behalf by


Kenneth G Odur
Head, Southern Africa Region


Michael Loveridge
Manager, Financial Services Unit



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Independent auditor's report

To the management of the International Federation of Red Cross and Red Crescent Societies

We have audited the financial statements of International Federation of Red Cross and Red Crescent Societies ("IFRC") Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS which comprise the income and expenditure statement for the year ended 31 December 2009 and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 8.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of these financial statements on the basis of accounting policies described in note 2, for the purpose of providing information to IFRC partners and donors that have contributed to the Southern Africa Regional HIV and AIDS Appeal (MAA63003). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and 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 is 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 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, these financial statements are prepared, in all material respects, in accordance with the basis of accounting described in the note 2 to the financial statements.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: RM Kgosana

Executive Directors: TH Bashall*, DC Duffield, A Hari, TH Hoole, FB Leith, JS McIntosh, AM Mokgabudi, D van Heerden

Other Directors: LP Fourie, T Fubu, A Jaffer, E Magondo, CM Read, Y Suleman (Chairman of the Board), A Thunström, JM Vice

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

* British citizen



Other matters – Restriction on use and distribution

As indicated, the financial statements have been prepared in accordance with the basis of accounting described in note 2 for the purpose of providing information to IFRC partners and donors that have contributed to the Southern Africa Regional HIV and AIDS Appeal (MAA63003). The financial statements and related auditor's report may not be suitable for another purpose. Our report is intended solely for IFRC partners and donors that have contributed to the Southern Africa Regional HIV and AIDS Appeal (MAA63003).

KPMG Inc.

A handwritten signature in black ink, appearing to read 'SC Smith', written over a horizontal line.

Per SC Smith
Chartered Accountant (SA)
Registered Auditor
Director
6 August 2010



International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Income and expenditure statement for the year ended 31 December 2009

	Note	2009 CHF	2008 CHF
Income			
Voluntary contributions	3	9 843 191	10 841 062
Total income		9 843 191	10 841 062
Operating expenditure			
Supplies		1 625 656	1 774 016
Vehicles and equipment		85 099	206 601
Transport and storage		258 176	381 327
Personnel expenditure		2 892 268	2 603 979
Workshops and training		937 715	623 565
Travel		298 806	277 374
Information and public relations		129 507	212 802
Office costs		230 034	186 568
Communications		103 785	69 249
Professional fees and financial charges		65 071	52 233
Other general expenses		134 062	80 769
Financial losses	2.2	(5 231)	230 867
Programme support recovery	4	498 894	627 831
Shared services	5	177 291	96 628
Operational provisions	6	(82 094)	1 958 456
Total operating expenditure		7 349 039	9 328 265
Excess income over expenditure		2 494 152	1 458 797
Brought forward		3 710 619	2 251 822
Excess of income over expenditure		2 494 152	1 458 797
Funds held for operations	2.4	6 204 771	3 710 619



International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Notes to the financial statements

for the year ended 31 December 2009

1. Activities

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (“IFRC”) is a membership organisation comprising 186 member Red Cross and Red Crescent societies governed by a Governing Board and with management support provided by a Secretariat with more than 65 delegations strategically located to support activities around the world.

The Global Alliance on HIV programme in Southern Africa (2006-2010) is implemented by all ten National Societies in the Southern Africa Zone, coordinated by the Federation Zone office. The programme aims to quadruple the target beneficiaries by 2010, but also to provide quality service to 50 million people reached through a set of evidence-based prevention strategies, 250,000 people living with HIV benefiting from an expanded care, treatment and support programme and 460,000 orphans and vulnerable children provided with educational, nutritional and psychosocial support.

The financial statements presented comprise the income and expenditure statement and supporting notes of all projects linked to the Southern Africa: Regional HIV and AIDS Appeal (MAA63003), hereto referred to as the Appeal Income and Expenditure statement.

2. Significant accounting policies

2.1 Basis of accounting

The Appeal Income and Expenditure statement is presented in Swiss Francs. The Appeal Income and Expenditure statement has been prepared under the historical cost convention.

2.2 Foreign currency transactions

The presentational and functional currency of the IFRC is the Swiss Franc, since operating cash flows are primarily denominated in and influenced by the Swiss Franc. The IFRC’s operations are not concentrated in any one economic environment, but appeals, including the Southern Africa HIV and AIDS Appeal (MAA63003) are always launched in Swiss Francs, and expenditure is budgeted and managed in Swiss Francs.

Foreign currency transactions are translated into Swiss Francs using the month end exchange rate prevailing prior to the dates of the transactions. Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under financial losses/(gains), net in the Income and Expenditure statement.

2.3 Income

Income comprises contributions in cash or in-kind from donors.

Earmarked cash contributions are recognised as income when a confirmed written pledge has been received from the donor.



International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Notes to the financial statements

for the year ended 31 December 2009

2. Significant accounting policies (continued)

2.3 Income (continued)

In-kind contributions of goods (comprising relief supplies) and services (in the form of staff or transport) are recognised on the date of receipt of the goods or service and are reported as equal contributions and expenses in the Income and Expenditure statement. In-kind goods and services received in response to appeals are measured at fair value.

The fair value of in-kind staff is taken as the average cost that would be incurred by the IFRC if it were to directly employ a person in a similar position.

2.4 Funds held for operations

The cumulative excess of voluntary contributions received over operating expenditure incurred is recorded as funds held for operations. In the event that the funds cannot be spent, the IFRC obtains agreement from the donor for a reallocation of those funds for a different use, or reimburses them to the donor. Reimbursements to donors are accounted for as reversals of voluntary contributions received; consequently, funds held for operations are diminished accordingly.

3. Voluntary contributions

	Cash CHF	2009 Total CHF	2008 Total CHF
British Red Cross	12 600	12 600	52 150
Canadian Red Cross	–	–	113 105
Finnish Red Cross	22 294	22 294	23 374
Finnish Red Cross (from Finnish Government)	126 330	126 330	132 451
Icelandic Red Cross (from Icelandic Government)	–	–	88 000
Japanese Red Cross	109 966	109 966	100 000
Lars Amundsen Foundation	300 000	300 000	–
Netherlands Government	6 160 664	6 160 664	6 524 410
Norwegian Red Cross	–	–	12 340
Norwegian Red Cross (from Norwegian Government)	172 391	172 391	485 748
On line donations	191	191	2 787
Swedish Red Cross	1 179 335	1 179 335	1 033 262
Swedish Red Cross (from Swedish Government)	1 759 938	1 759 938	2 273 424
Other	(518)	(518)	11
	9 843 191	9 843 191	10 841 062

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International Federation of Red Cross and Red Crescent Societies Appeal (MAA63003) – Southern Africa: Regional HIV and AIDS Appeal

Notes to the financial statements

for the year ended 31 December 2009 (continued)

4. Programme support recovery

In accordance with IFRC standard policy, a charge is made to the budget of each operation as a contribution to the costs of support for operations in the field. This support includes services essential for an operation's success such as human resources, finance, logistics, information technology and other support.

5. Shared services

Since the creation of the Zone offices in 2008, a new cost allocation mechanism has been introduced in order to fairly allocate indirect costs incurred by the Zone office to projects, in proportion to the services they receive. The reallocation of these costs are charged to the projects as shared services expenditure and include administration costs, IT service costs, financial processing costs and Human Resources administration costs.

6. Operational provisions

Operational provisions in the Income and Expenditure statement represent the value of working advances made to National Societies which have not yet been reported on by the recipient National Societies. Detailed breakdowns of the expenditure incurred by the National Societies are therefore not known at the reporting date, but are normally reported on shortly thereafter.