

**ST HELENA SANDVELD HOSPICE
(ASSOCIATION INCORPORATED UNDER SECTION 21)
(Registration number 2004/002110/08)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2008**



**ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Palliative home care services for terminally ill people
DIRECTORS	MJ McGregor Tjerk Tromp Robin Dean
BUSINESS ADDRESS	32 Saldanha Road Vredenburg 7380
POSTAL ADDRESS	P.O. Box 308 Vredenburg 7380
BANKERS	Standard Bank
AUDITORS	Reko Auditors Incorporated Chartered Accountants (S.A.) Registered Auditors
SECRETARY	RB Dean
COMPANY REGISTRATION NUMBER	2004/002110/08
NPO REGISTRATION NUMBER	039-053-NPO



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The reports and statements set out below comprise the financial statements presented to the members:

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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)

We have audited the accompanying financial statements of St Helena Sandveld Hospice (Association incorporated under section 21), which comprise the directors' report, the balance sheet as at 31 July 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 13.

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 generally accepted accounting practise, and in the manner required by the Companies Act of South Africa, 1973. 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.

Auditors' 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 auditors' 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.

Qualification

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

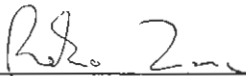
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 July 2008, and of its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting practise, and in the manner required by the Companies Act of South Africa, 1973.

REPORT OF THE INDEPENDENT AUDITORS

Basis of financial statements

Without qualifying our opinion above, we draw attention to the fact that the financial statements do not necessarily comply with all the Statements of Generally Accepted Accounting Practice as more fully disclosed in paragraph 7 of the directors report.



Reko Auditors Incorporated
Chartered Accountants (S.A.)
Registered Auditors

21 January 2009

Hugo and Hugo Centre
Main Road
Vredenburg
7380



**ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa, 1973, 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 generally accepted accounting practise. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with generally accepted accounting practise and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

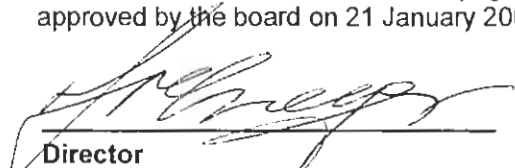
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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 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.

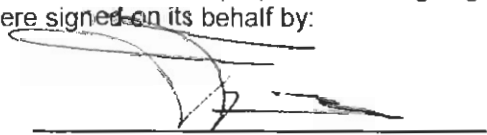
Although the board are primarily responsible for the financial affairs of the company, they are supported by the company's external auditors.

The external auditors are responsible for independently reviewing 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 page 3.

The financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the board on 21 January 2009 and were signed on its behalf by:



Director



Director



**ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008**

DIRECTORS' REPORT

The directors submit their report for the year ended 31 July 2008.

1. INCORPORATION

The company was incorporated on 29 January 2004 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

Main business and operations

The company is engaged in palliative home care services for terminally ill people 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.

3. POST BALANCE SHEET EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. DIRECTORS

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

Name

MJ McGregor
Tjerk Tromp
Robin Dean

5. SECRETARY

The secretary of the company is RB Dean of:

Business address

31 Sheila Avenue
Port Owen
Velldrif
7365

Postal address

31 Sheila Avenue
Port Owen
Velldrif
7365

6. AUDITORS

Reko Auditors Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

7. PRIMARY BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with generally accepted accounting practice (gaap) applicable to entities of which the financial statements have a limited use. The directors are of the opinion that the financial statements do not differ materially from the Statements of Generally Accepted Accounting Practice (GAAP) and therefor no further disclosure is required.



ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008

BALANCE SHEET

	Note(s)	2008 R	2007 R
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	320 074	287 036
Current Assets			
Inventories	3	71 000	52 300
Trade and other receivables		40 341	2 979
Cash and cash equivalents	4	364 831	257 449
		476 172	312 728
Total Assets		796 246	599 764
EQUITY AND LIABILITIES			
EQUITY			
Retained surplus		785 193	599 764
LIABILITIES			
Current Liabilities			
Trade and other payables		11 053	-
Total Equity and Liabilities		796 246	599 764



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INCOME STATEMENT

	Note(s)	2008 R	2007 R
REVENUE			
Donations received		262 495	467 603
Donations received in kind		280 332	189 010
Grants received		478 919	170 000
Membership fees		395	150
Training income		9 573	15 720
		1 031 714	842 483
OTHER INCOME			
Interest received		24 221	17 510
OPERATING EXPENSES			
Accounting fees		285	285
Advertising		1 394	-
Auditors remuneration	6	11 967	5 757
Bank charges		5 497	5 156
Computer expenses		363	-
Depreciation		80 463	95 559
Electricity and water		4 647	3 334
Fund raising expenses		5 999	1 666
General expenses		1 535	1 469
Insurance		19 804	15 152
Lease rentals		35 120	31 928
Medical expenses		1 073	14 634
Motor vehicle expenses		54 708	38 165
Postage		2 106	1 690
Printing and stationery		15 172	17 472
Refunds		-	14 267
Repairs and maintenance		14 496	13 002
Salaries		571 007	428 282
Security		2 479	1 190
Shop expenses		1 962	3 350
Staff welfare		4 420	6 155
Telephone and fax		32 923	33 110
Training		1 550	5 112
Volunteer expenses		1 536	-
		870 506	736 735
Surplus for the year		185 429	123 258



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STATEMENT OF CHANGES IN EQUITY

	Retained surplus R
Balance at 01 August 2006	476 506
Changes in equity	
Surplus for the year	123 258
Total changes	123 258
Balance at 01 August 2007	599 764
Changes in equity	
Surplus for the year	185 429
Total changes	185 429
Balance at 31 July 2008	785 193



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CASH FLOW STATEMENT

	Note(s)	2008 R	2007 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts		994 352	917 748
Cash paid to suppliers and employees		(797 689)	(702 196)
Cash generated from operations	7	196 663	215 552
Interest income		24 221	17 510
Net cash from operating activities		220 884	233 062
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(113 500)	(232 835)
Total cash movement for the year		107 384	227
Cash at the beginning of the year		257 449	257 221
Total cash at end of the year	4	364 833	257 448



**ST HELENA SANDVELD HOSPICE (ASSOCIATION INCORPORATED UNDER SECTION 21)
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ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with generally accepted accounting practise and the Companies Act of South Africa, 1973. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Buildings	10 years
Furniture and fittings	7 years
Motor vehicles	4 years
Computer equipment	3 years
Computer software	2 years
Medical equipment	5 years
Books	3 years

1.2 INVENTORIES

Merchandise received as donations is valued at the market value of the items at the date of receipt thereof.

1.3 GRANTS

Grants are 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 are intended to compensate.

1.4 REVENUE

Donations are recognised in the financial statements on the date of the receipt thereof. Donations in kind are recognised at the monetary value of the goods.



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NOTES TO THE FINANCIAL STATEMENTS

	2008 R	2007 R
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2. PROPERTY, PLANT AND EQUIPMENT

	2008			2007		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Buildings	205 415	(44 925)	160 490	205 415	(24 864)	180 551
Furniture and fittings	22 106	(18 191)	3 915	22 106	(17 046)	5 060
Motor vehicles	295 250	(152 407)	142 843	181 750	(99 875)	81 875
Computer equipment	22 620	(12 447)	10 173	22 620	(8 363)	14 257
Computer software	3 054	(3 052)	2	3 054	(3 052)	2
Medical equipment	16 280	(13 633)	2 647	16 280	(10 993)	5 287
Books	3 057	(3 053)	4	3 057	(3 053)	4
Total	567 782	(247 708)	320 074	454 282	(167 246)	287 036

Reconciliation of property, plant and equipment - 2008

	Opening Balance	Additions	Depreciation	Total
Buildings	180 551	-	(20 061)	160 490
Furniture and fittings	5 060	-	(1 145)	3 915
Motor vehicles	81 875	113 500	(52 532)	142 843
Computer equipment	14 257	-	(4 084)	10 173
Computer software	2	-	-	2
Medical equipment	5 287	-	(2 640)	2 647
Books	4	-	-	4
	287 036	113 500	(80 462)	320 074

Reconciliation of property, plant and equipment - 2007

	Opening Balance	Additions	Depreciation	Total
Buildings	-	205 415	(24 864)	180 551
Furniture and fittings	6 199	9 092	(10 231)	5 060
Motor vehicles	127 312	-	(45 437)	81 875
Computer equipment	8 322	12 217	(6 282)	14 257
Computer software	-	3 054	(3 052)	2
Medical equipment	7 927	-	(2 640)	5 287
Property, plant and equipment 2	-	3 057	(3 053)	4
	149 760	232 835	(95 559)	287 036

Buildings consist of offices erected on leased property.

3. INVENTORIES

Merchandise	71 000	52 300
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NOTES TO THE FINANCIAL STATEMENTS

	2008 R	2007 R
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	600	600
Bank balances	364 231	256 849
	<u>364 831</u>	<u>257 449</u>
5. TAXATION		
No provision has been made for 2008 tax as the company is exempt from taxation under Section 30 of the Income Tax Act.		
6. AUDITORS' REMUNERATION		
Audit fee - financial statements	7 467	5 757
Department of Health Funds audit (x2)	4 500	-
	<u>11 967</u>	<u>5 757</u>
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	185 429	123 258
Adjustments for:		
Depreciation and amortisation	80 463	95 559
Interest received	(24 221)	(17 510)
Changes in working capital:		
Inventories	(18 700)	14 027
Trade and other receivables	(37 361)	218
Trade and other payables	11 053	-
	<u>196 663</u>	<u>215 552</u>
8. DIRECTORS' EMOLUMENTS		
No emoluments were paid to the directors during the year.		

