Audit • Advisory • Tax

BDO

Nazareth House - Cape Town
(Registration number 038-257-NPO)
Financial statements
for the year ended 31 March 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To provide support and care for the impoverished, frail elderly and children
Executive committee	Sister Veronica (Julia Murphy) Deacon Les Ruhrmund Keith Brodovcky Rosie Whittaker
Business address	1 Derry Street Vredehoek Cape Town 8001
Auditors	BDO South Africa Incorporated Registered Auditors
Organisation registration number	038-257-NPO

Index

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

BDO

Tel: +27 21 460 6300
Fax: +27 21 460 6336
www.bdo.co.za

2nd Floor, Block D
The Boulevard
Searle Street
Woodstock, 7925
PO Box 3883
Cape Town, 8000
Docex 84 Cape Town
South Africa

Independent Auditor's Report

To the Sister Superior of Nazareth House - Cape Town

Report on the Financial Statements

We have audited the financial statements of Nazareth House - Cape Town, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the Sister Superiors report, as set out on pages 6 to 19.

Executive Committee's Responsibility for the Financial Statements

The Sister Superior is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies set out in accounting policies hereafter stated. 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 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 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 qualified audit opinion.

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Nazareth House - Cape Town as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the basis of accounting set out in Note 1.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 20 to 21 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other matter

Without further qualifying our audit opinion, we draw attention to the fact that the basis of accounting, presentation and disclosures contained in the financial statements are not intended to and cannot, comply with all the requirements of South African Statements of Generally Accepted Accounting Practice.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Per: B Mintcheva

27 July 2011

Statement of responsibility by the Sister Superior

The Sister Superior is required to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the Sister Superior's responsibility to ensure that the financial statements fairly present the state of affairs of the organisation 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 accounting policies hereafter stated. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the accounting policies stated in note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

The Sister Superior is 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 Sister Superior has reviewed the organisation's cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, she is satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on page 3.

The financial statements set out on pages 6 to 21, which have been prepared on the going concern basis, were approved by the Sister Superior on July 27, 2011 and were signed on its behalf by:

Sister Veronica Julia Murphy

Sister Veronica (Julia Murphy)

Sister Superior's Report

The Sister Superior submits her report for the year ended 31 March 2011.

1. Review of activities

Main business and operations

The organisation is engaged in serving the needs of the elderly, drawn from underpriviliged communities, providing a high standard of care and nursing, attending to the seriously or terminally ill HIV infected adults from indigent areas and provides a place of safety for abandoned and neglected children, as well as residential care for children with special needs.

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

2. Post balance sheet events

The Sister Superior is not aware of any matter or circumstance arising since the end of the financial year.

3. Members of the Executive Committee

The members of the executive committee of the organisation during the year and to the date of this report are as follows:

Name	Role
Sister Veronica (Julia Murphy)	Sister Superior
Deacon Les Ruhrmund	Chairman
Keith Brodovcky	Treasurer
Rosie Whittaker	General Manager

4. Auditors

BDO South Africa Incorporated will continue in office as selected auditors.

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	3	12,593,260	13,642,675
Current Assets			
Trade and other receivables	4	1,485,829	838,453
Cash and cash equivalents	5	4,598,655	4,218,881
		6,084,484	**5,057,334**
Total Assets		**18,677,744**	**18,700,009**
Reserves and Liabilities			
Reserves			
Accumulated reserves		16,238,970	17,174,994
Liabilities			
Current Liabilities			
Trade and other payables	6	1,548,852	535,166
Deferred donations	7	889,922	989,849
		2,438,774	**1,525,015**
Total Reserves and Liabilities		**18,677,744**	**18,700,009**

Nazareth House - Cape Town

(Registration number 038-257-NPO)
Financial Statements for the year ended 31 March 2011

Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue	12	12,469,666	14,125,417
National Lottery Distribution Trust Fund(NLDTF)	12	2,821,500	1,455,000
Fundraising expenses		(3,576,548)	(4,188,984)
Gross profit		**11,714,618**	**11,391,433**
Other income		14,000	-
Operating expenses		(12,835,497)	(12,745,738)
Operating loss		**(1,106,879)**	**(1,354,305)**
Interest received		170,855	222,052
Finance costs		-	(6,664)
Deficit for the year		**(936,024)**	**(1,138,917)**
Other comprehensive income		-	-
Total comprehensive deficit		**(936,024)**	**(1,138,917)**

Statement of Changes in Reserves

Figures in Rand	Accumulated reserves	Total reserves
Balance at 01 April 2009	**18,313,911**	**18,313,911**
Changes in reserves		
Total comprehensive deficit for the year	(1,138,917)	(1,138,917)
Total changes	(1,138,917)	(1,138,917)
Balance at 01 April 2010	**17,174,994**	**17,174,994**
Changes in reserves		
Total comprehensive deficit for the year	(936,024)	(936,024)
Total changes	(936,024)	(936,024)
Balance at 31 March 2011	**16,238,970**	**16,238,970**

Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash generated from operations	8	207,529	(526,547)
Interest income		170,855	222,052
Finance costs		-	(6,664)
Net cash from operating activities		**378,384**	**(311,159)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(12,610)	(32,397)
Sale of property, plant and equipment	3	14,000	-
Net cash from investing activities		**1,390**	**(32,397)**
Total cash movement for the year		**379,774**	**(343,556)**
Cash at the beginning of the year		4,218,881	4,562,438
Total cash at end of the year	5	**4,598,655**	**4,218,882**

Notes to the financial statements

1. Accounting Policies

The financial statements have been prepared in accordance with accounting policies hereafter stated. 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 Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

1.2 Property, plant and equipment

All property, plant and equipment are included at historical cost, except for assets received as a donation which are recorded separately on the fixed asset register. These assets are not assigned a value. As the historic costs of these assets are zero, no depreciation is allocated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Item	Average useful life
Furniture and equipment	5 years
Motor vehicles	5 years
Office equipment	3-5 years
Computer equipment	3 years
Leasehold improvements	20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains/(losses) in the statement of comprehensive income.

1.3 Financial instruments

Initial recognition and measurement

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

The organisation 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.

Notes to the financial statements

1.3 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.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in the future for goods and services that have been received or supplied and invoiced or formally agreed with the supplier.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.4 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.5 Provisions and contingencies

Provisions are recognised when:

- the organisation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses.

Where there are a number of similar oibligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects current market assesssments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

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 end of the financial period.

Notes to the financial statements

1.6 Revenue

Income mainly consists of contributions from residents, government subsidies, donations and receipts from fundraising, legacies and grants in aid. Income is recognised on receipt of cash

Accounts receivable are recognised in respect of board and lodging fees owed by residents on a monthly basis.

Where income is received for a specific purpose, the income is recognised when the related expense is incurred. Unutilised restricted income is shown as deferred income in the statement of financial position.

Donations received for the construction of buildings are recorded as deferred income in the statement of financial position and are reduced to the extent that costs are incurred during the year.

Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, the organisation reduces the carrying amount to its recoverable amount being the future estimated cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans is recognised using the original effective interest rate.

1.7 Allocation of expenses

Certain expenditure is incurred as a whole by Nazareth House Cape Town, and by a separate organisation namely Larmenier Village. In such instances, the expense is apportioned to each of the two entities on a pro rata basis.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

2009 Annual Improvements Project: Amendments to IAS 1 (AC 101) Presentation of Financial Statements

The amendment clarifies that a liability which could, at the option of the counterparty, result in its settlement by the issue equity instruments, does not affect its classification as current or non-current.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The organisation has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 17 (AC 105) Leases

The amendment removes the guidance that leases of land, where title does not transfer, are operating leases. The amendment therefore requires that lease classification for land be assessed in the same manner as for all leases. The amendment is to be applied retrospectively, unless the information is not available. In these cases, existing leases shall be reconsidered based on facts and circumstances existing at the date of adoption of the amendment. The lease asset and lease liability shall, in these cases be recognised at their fair values on that date, with any difference in those fair values recognised in retained earnings.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The organisation has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 18 (AC 111) Revenue

The amendment provides additional guidance in the determination of whether an entity is acting as an agent or principal in a revenue transaction.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The organisation has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 36 (AC 128) Impairment of Assets

The amendment now requires that, for the purpose of goodwill testing, each group of units to which goodwill is allocated shall not be larger than an operating segment as defined in paragraph 5 of IFRS 8 (AC 145) Operating Segments. Thus the determination is now required to be made before operating segments are aggregated.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The organisation has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

Notes to the Financial Statements

Figures in Rand	2011	2010

3. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Leasehold improvements	18,683,711	(6,321,668)	12,362,043	18,682,251	(5,387,555)	13,294,696
Furniture and equipment	2,341,583	(2,238,738)	102,845	2,331,133	(2,163,836)	167,297
Motor vehicles	681,375	(554,917)	126,458	743,230	(566,189)	177,041
Computer equipment	161,245	(159,331)	1,914	160,545	(156,904)	3,641
Total	**21,867,914**	**(9,274,654)**	**12,593,260**	**21,917,159**	**(8,274,484)**	**13,642,675**

Reconciliation of property, plant and equipment - 2011

	Opening Balance	Additions	Disposals	Accumulated depreciation on disposal	Depreciation	Total
Leasehold improvements	13,294,696	1,460	-	-	(934,113)	12,362,043
Furniture and equipment	167,297	10,450	-	-	(74,902)	102,845
Motor vehicles	177,041	-	(61,855)	61,855	(50,583)	126,458
Computer equipment	3,641	700	-	-	(2,427)	1,914
	13,642,675	**12,610**	**(61,855)**	**61,855**	**(1,062,025)**	**12,593,260**

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	14,228,808	-	-	(934,112)	13,294,696
Furniture and equipment	247,235	30,032	-	(109,970)	167,297
Motor vehicles	319,722	-	(92,098)	(50,583)	177,041
Computer equipment	4,196	2,365	-	(2,920)	3,641
	14,799,961	**32,397**	**(92,098)**	**(1,097,585)**	**13,642,675**

Details of properties

Property details are as follows: Erf 905, Vredehoek, City of Cape Town. The property size is 1.0166 hectares. The property belongs to the Congregation of the Sisters of Nazareth.

4. Trade and other receivables

	2011	2010
Trade receivables	385,262	102,403
Provision for doubtful debts	(10,000)	(10,000)
Deposits and other receivables	306,421	10,000
VAT	804,146	736,050
	1,485,829	**838,453**

Notes to the Financial Statements

Figures in Rand	2011	2010

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	23,620	28,620
Bank balances	1,080,015	1,658,456
Notice deposits	3,204,256	2,257,868
Money Market Unit Trusts	290,764	273,937
	4,598,655	**4,218,881**

6. Trade and other payables

Trade payables	597,903	386,696
Accrued expenses	544,721	148,470
Other payables - Nazareth House Regional(PTA)	406,228	-
	1,548,852	**535,166**

7. Deferred donations

Deferred donations comprise the unitilised portion of funds raised for special projects.

Deferred donations for projects		
Capital Projects	718,247	737,206
Special projects	171,675	252,643
	889,922	**989,849**

8. Cash generated from operations

Loss before taxation	(936,024)	(1,138,917)
Adjustments for:		
Depreciation and amortisation	1,062,025	1,097,585
(Profit)/Loss on sale of assets	(14,000)	92,098
Interest received	(170,855)	(222,052)
Finance costs	-	6,664
Changes in working capital:		
Trade and other receivables	(647,376)	684,640
Trade and other payables	1,013,686	(711,046)
Deferred donations	(99,927)	(335,519)
	207,529	**(526,547)**

9. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Trade and other receivables	681,683	-	-	-	-	681,683
Cash and cash equivalents	4,598,655	-	-	-	-	4,598,655
	5,280,338	**-**	**-**	**-**	**-**	**5,280,338**

2010

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Held to maturity investments	Available for sale	Total
Trade and other receivables	102,403	-	-	-	-	102,403
Cash and cash equivalents	4,218,881	-	-	-	-	4,218,881
	4,321,284	**-**	**-**	**-**	**-**	**4,321,284**

10. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Trade and other payables	1,548,854	-	-	1,548,854

2010

	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Trade and other payables	535,167	-	-	535,167

Notes to the Financial Statements

Figures in Rand	2011	2010

11. Risk management

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to raise funds.

The table below analyses the organisation's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	1,548,854	-	-	-

At 31 March 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	535,167	-	-	-

Interest rate risk

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

Credit risk

Credit risk consists mainly of cash deposits and trade debtors. The organisation only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Trade receivables	681,683	102,403
Banks	4,598,655	4,218,881

Notes to the Financial Statements

Figures in Rand	2011	2010

12. Revenue

Contributions from residents	1,817,860	1,456,132
Grant income and government subsidies	2,207,365	2,226,328
National Lottery Distribution Trust Fund(NLDTF)	2,821,500	1,455,000
Legacies, grants and sundry income	1,756,677	851,426
Donations and fundraising	6,687,764	9,591,530
	15,291,166	**15,580,416**

13. Donations and fundraising

Donations and fundraising income consist of the following :		
Direct mail campaign	3,949,528	5,698,778
Charity shop sales	319,134	169,068
Grants, donations and sponsorships	2,193,376	2,900,660
Grant - Special projects (VLF)	63,161	302,363
Other special projects	162,565	520,661
	6,687,764	**9,591,530**

14. Taxation

No provision has been made as the organisation is a Public Benefit Organisation and is exempt from normal tax in terms of section 10(1)(CN) of the Income Tax Act.

Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Operating income			
Contributions from residents		1,817,860	1,456,132
Grant income and government subsidies		2,207,365	2,226,328
National Lottery Distribution Trust Fund(NLDTF)		2,821,500	1,455,000
Donations and Fundraising	13	6,687,764	9,591,530
Legacies, grants and sundry income		1,756,677	851,426
	12	**15,291,166**	**15,580,416**
Fundraising expenses			
Direct mail campaign		(3,172,131)	(3,820,810)
Charity shop expenses		(83,628)	(89,639)
Fundraising and other		(320,789)	(278,535)
		(3,576,548)	**(4,188,984)**
Gross profit		**11,714,618**	**11,391,432**
Income			
Interest received		170,855	222,052
Gains on disposal of assets		14,000	-
		184,855	**222,052**
Expenses (Refer to page 21)		**(12,835,497)**	**(12,745,738)**
Operating deficit		**(936,024)**	**(1,132,254)**
Finance costs		-	(6,664)
Deficit for the year		**(936,024)**	**(1,138,918)**

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

Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Operating expenses			
Administration and management fees		(362,460)	(329,515)
Advertising		(4,864)	(4,558)
Auditors remuneration		(72,000)	(5,700)
Bank charges		(52,963)	(61,169)
Catering services and provisions		(1,171,992)	(1,496,931)
Clothing		(7,828)	(26,034)
Computer expenses		(4,992)	(7,479)
Consulting fees		(87,785)	(77,054)
Depreciation		(1,062,025)	(1,097,585)
Dry cleaning and laundry		(27,052)	(33,514)
Education and recreation		(131,011)	(92,260)
Functions and church expenses		(36,649)	(34,557)
Funeral expenses		(2,385)	(7,360)
Fuel, electricity, water and rates		(1,109,091)	(917,501)
House-keeping		(141,230)	(114,415)
Insurance		(98,270)	(125,411)
Legal expenses		-	(104)
Loss on disposal of asset		-	(92,098)
Medical expenses		(64,072)	(81,447)
Motor vehicle expenses		(190,974)	(188,272)
Nappy costs		(62,734)	(77,197)
Postage		(11,919)	(6,150)
Printing and stationery		(48,065)	(41,520)
Rental		(5,094)	(4,808)
Repairs and maintenance		(366,153)	(425,628)
Salaries, wages and outsourced services		(7,015,016)	(6,475,105)
Security		(153,120)	(171,253)
Special project expenses		(116,520)	(527,859)
Subscriptions and magazines		(20,842)	(16,873)
Sundry expenses		(5,064)	(8,978)
Telephone and fax		(159,118)	(157,157)
Training		(226,202)	(12,177)
Travelling expenses		(18,007)	(28,069)
		(12,835,497)	**(12,745,738)**

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