



**LHC FOUNDATION TRUST
(REGISTRATION NUMBER IT 767/02)
TRADING AS I CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

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INDEPENDENT AUDITOR'S REPORT

To the trustees of LHC Foundation Trust

Qualified opinion

We have audited the financial statements of LHC Foundation Trust set out on pages 7 to 17, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of LHC Foundation Trust as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Act.

Basis for qualified opinion

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

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Property Control Act 57 of 1988, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Harel Davidson Inc

Harel Davidson Incorporated
M. T. D. Harel
10 July 2018

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
TRUSTEES' RESPONSIBILITIES AND APPROVAL**

The trustees are required 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 trust 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

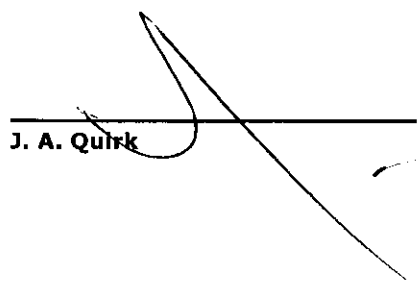
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal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

The trustees 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.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, They are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on page 2.

The financial statements set out on page 5 to 18, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:



J. A. Quirk



T. I. Mufamadi

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
TRUSTEES' REPORT**

The trustees have pleasure in submitting their report on the financial statements of LHC Foundation Trust for the year ended 28 February 2018.

1. THE TRUST

The trust was formed in terms of a trust settlement by TSK Investment Trust, dated 01 June 2002.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these financial statements.

The operations of the Trust are intended to provide a meaningful and long term solution to the growing number of children living on the streets, as well as to address the social problems associated with these children.

Since the commencement of its operations, the Trust has received a growing level of support from the public and its trustees are confident that this support will contribute significantly towards helping it achieve its objectives.

The objectives of the Trust are more fully set out in its Deed of Donation and Trust which is included on its website (www.icare.co.za).

During the year the Trust pursued its objectives of contributing to the upliftment of the lives of street and homeless children by providing financial, material and spiritual upliftment to the children on the streets as well as to a number of homes and shelters which support these children.

The operating results and state of affairs of the trust are fully set out in the attached financial statements.

Material support, which is provided through the Trust's "social surpluses" campaign, was received from a number of businesses and private individuals. The value of these 'in-kind' donations received with regard to this aspect of the Trust's operations has not been reflected in the financial statements of the Trust although the expenses associated with the collection and distribution of this material support are included.

Total donations received by the Trust for the year were R 3 988 390 (2017: R 5 393 869). Included in these donations received in the current year are certain amounts which though included in current income have been donated to defray future expenditure of both a capital and and income nature. Therefore the current year accumulated surplus represents this income carried forward to cover this expenditure which will be incurred in the forthcoming financial year. The operating results and state of affairs of the trust are fully set out in the attached financial statements and do not in our opinion require any further comment.

3. GOING CONCERN

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

4. SUBSEQUENT EVENTS

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
TRUSTEES' REPORT**

5. TRUSTEES

The trustees in office at the date of this report are as follows:

Name

M.L. Addison
M.A. Black
Y.L. Boden
T. S. Lubede
T. I. Mufamadi
J. A. Quirk
T.N. Xulu

6. AUDITORS

Harel Davidson Incorporated continued in office as auditors for the trust for 2018.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

Figures in Rand	Note(s)	2018	2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1 247 576	1 260 327
CURRENT ASSETS			
Trade and other receivables	3	73 941	79 618
Cash and cash equivalents	4	1 994 236	2 754 920
		2 068 177	2 834 538
Total Assets		3 315 753	4 094 865
EQUITY AND LIABILITIES			
EQUITY			
Trust capital		1 150 000	1 150 000
Accumulated surplus		2 047 987	2 787 575
		3 197 987	3 937 575
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	70 190	86 707
Provisions	6	47 576	70 583
		117 766	157 290
Total Equity and Liabilities		3 315 753	4 094 865

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand		2018	2017
Donations received	7	3 993 390	5 393 869
Direct project and marketing costs			
Purchases		(4 253 535)	(4 504 551)
Gross (deficit) surplus		(260 145)	889 318
Other income			
Gains on disposal of assets		78 000	-
Interest received	8	106 852	138 982
		184 852	138 982
Administration and operating expenses			
Administration and management fees		7 383	6 159
Auditors remuneration	9	31 300	31 500
Bank charges		22 180	23 617
Depreciation		112 725	136 376
Employee costs		246 368	228 279
IT expenses		15 592	15 599
Insurance		8 793	6 745
Motor vehicle expenses		13 626	471
Municipal expenses		107 168	109 666
Office supplies		7 507	7 394
Printing and stationery		6 998	7 314
Repairs and maintenance		19 515	21 135
Staff welfare		19 395	47 777
Subscriptions		14 587	15 049
Taxation services		3 500	-
Telephone and fax		18 811	21 251
Training		244	400
Travel		8 603	6 948
		664 295	685 680
(Deficit) surplus for the year		(739 588)	342 620

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2016	1 150 000	2 444 955	3 594 955
Changes in equity			
Surplus for the year	-	342 620	342 620
Total changes	-	342 620	342 620
Balance at 01 March 2017	1 150 000	2 787 575	3 937 575
Changes in equity			
Surplus for the year	-	(739 588)	(739 588)
Total changes	-	(739 588)	(739 588)
Balance at 28 February 2018	1 150 000	2 047 987	3 197 987

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	12	(845 562)	397 203
Interest income		106 852	138 982
Net cash from operating activities		(738 710)	536 185
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(99 974)	-
Sale of property, plant and equipment	2	78 000	-
Net cash from investing activities		(21 974)	-
Total cash movement for the year		(760 684)	536 185
Cash at the beginning of the year		2 754 920	2 218 735
Total cash at end of the year	4	1 994 236	2 754 920

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
ACCOUNTING POLICIES**

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	2 years
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	3 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
ACCOUNTING POLICIES**

1.2 FINANCIAL INSTRUMENTS

Initial measurement

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 IMPAIRMENT OF ASSETS

The trust assesses at each reporting date whether there is any indication that asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
ACCOUNTING POLICIES**

1.4 REVENUE

Income from donations and grants, including capital grants, is included in incoming resources when these are received as follows :

- When donors specify that donations and grants given to the Trust be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the Trust becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- Donations received in kind are not recognised as income as they cannot be measured reliably.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when received.

Other revenue earned by the trust is recognised on the following basis :

- Interest income - as it accrues.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2018	2017
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2. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	1 071 955	-	1 071 955	1 071 955	-	1 071 955
Computer software	40 723	(40 722)	1	40 723	(40 722)	1
Furniture and fixtures	77 132	(63 272)	13 860	68 158	(58 286)	9 872
IT equipment	32 747	(32 746)	1	32 747	(30 667)	2 080
Motor vehicles	1 203 038	(1 062 873)	140 165	1 264 991	(1 137 190)	127 801
Leasehold improvements	235 948	(214 356)	21 592	235 948	(190 761)	45 187
Office equipment	27 979	(27 977)	2	27 979	(24 548)	3 431
Total	2 689 522	(1 441 946)	1 247 576	2 742 501	(1 482 174)	1 260 327

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	1 071 955	-	-	1 071 955
Computer software	1	-	-	1
Furniture and fixtures	9 872	8 974	(4 986)	13 860
IT equipment	2 080	-	(2 079)	1
Leasehold improvements	45 187	-	(23 595)	21 592
Motor vehicles	127 801	91 000	(78 636)	140 165
Office equipment	3 431	-	(3 429)	2
	1 260 327	99 974	(112 725)	1 247 576

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Closing balance
Land and buildings	1 071 955	-	1 071 955
Computer software	1	-	1
Furniture and fixtures	13 705	(3 833)	9 872
IT equipment	5 248	(3 168)	2 080
Leasehold improvements	68 782	(23 595)	45 187
Motor vehicles	228 553	(100 752)	127 801
Office equipment	8 459	(5 028)	3 431
	1 396 703	(136 376)	1 260 327

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2018	2017
2. PROPERTY, PLANT AND EQUIPMENT (continued)		
Details of properties		
Property 1		
Title deed T038190/07 comprising :		
Portions 241, 246 and 248 of the farm Lower Illovo No 17126		
Registration Division ET, Province of KwaZulu-Natal in extent 309, 361 and 509 square metres respectively.		
- Purchase price: 7 August 2007	180 000	180 000
- Additions - 2008	11 742	11 742
- Additions - 2009	151 441	151 441
	343 183	343 183
Property 2		
Erf 376 Brixton situated at 91 Caroline Street, Brixton in the province of Gauteng		
- Purchase price: 4 July 2012	650 000	650 000
- Additions since purchase or valuation	19 700	19 700
	669 700	669 700
3. TRADE AND OTHER RECEIVABLES		
Deposits	56 125	64 626
Other receivables	5 607	718
VAT	12 209	14 274
	73 941	79 618
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	2 857	12 451
Call accounts	1 991 379	2 742 469
	1 994 236	2 754 920
5. TRADE AND OTHER PAYABLES		
Accruals	32 553	47 275
Audit fees	31 300	28 500
Other payables	6 337	10 932
	70 190	86 707

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2018	2017
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6. PROVISIONS

Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	70 583	213 637	(236 644)	47 576

Reconciliation of provisions - 2017

	Opening balance	Additions	Utilised during the year	Total
Provisions for employee benefits	24 409	70 583	(24 409)	70 583

7. REVENUE

Donations received - Government Ethekewini Municipality	-	923 010
Donations received - Government Social Development	772 841	767 476
Donations received - Government Sports and Recreation	150 000	150 000
Donations received - other	3 070 549	3 553 383
	3 993 390	5 393 869

8. INVESTMENT REVENUE

Interest revenue		
Bank	106 852	138 982

9. AUDITOR'S REMUNERATION

Fees	31 300	28 500
Accounting fees	-	3 000
	31 300	31 500

10. OPERATING (DEFICIT) SURPLUS

Operating (deficit) surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	220 078	197 240
Motor vehicles		
• Contractual amounts	417 703	350 520
	637 781	547 760
Property, plant and equipment	78 000	-
Depreciation on property, plant and equipment	112 725	136 376
Employee costs	3 080 228	3 142 649

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2018	2017
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11. TAXATION

No provision has been made for 2018 tax as the trust is registered as a Public Benefit Organisation and therefore is exempt from Income Tax.

12. CASH (USED IN) GENERATED FROM OPERATIONS

(Deficit) surplus before taxation	(739 588)	342 620
Adjustments for:		
Depreciation and amortisation	112 725	136 376
Surplus on sale of assets	(78 000)	-
Interest received	(106 852)	(138 982)
Movements in provisions	(23 007)	46 174
Changes in working capital:		
Trade and other receivables	5 677	(9 163)
Trade and other payables	(16 517)	20 178
	<u>(845 562)</u>	<u>397 203</u>

13. STAFF COSTS

Salaries and wages

Salaries and wages included in direct project costs	2 367 713	2 215 196
Salaries and wages included in marketing cost	489 854	332 135
Salaries and wages included in administration cost	222 661	432 111
	<u>3 080 228</u>	<u>2 979 442</u>

14. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

15. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

**LHC FOUNDATION TRUST
TRADING AS I CARE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018**

SCHEDULE OF DIRECT PROJECTS AND MARKETING COSTS

Figures in Rand	Note(s)	2018	2017
DIRECT PROJECT AND MARKETING COSTS			
ACE school		98 444	82 565
Collection and distribution of physical donations and support		82 159	14 844
General distribution		72 096	91 405
Gospel ministry		33 538	101 994
Hope Centre costs		1 317 780	1 399 061
Houses - iCare running costs		498 837	493 924
Johannesburg - iCare costs		485 238	741 832
Khutaza Rehabilitation Project		637 781	547 760
Marketing costs		494 663	498 697
Pre rehab expenses		-	280
Shelters - Sakithemba YMCA		119	70
Skills development project		123 503	99 771
Staff training		5 235	14 696
Street outreach project		390 723	381 747
Sustainability Project		650	7 131
Volunteer program		12 769	28 774
		4 253 535	4 504 551