



**LHC FOUNDATION TRUST  
(REGISTRATION NUMBER IT 767/02)  
TRADING AS I CARE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2016**

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
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The reports and statements set out below comprise the financial statements presented to the trustees:

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

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## INDEPENDENT AUDITOR'S REPORT

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### TO THE TRUSTEES OF LHC FOUNDATION TRUST

We have audited the financial statements of LHC Foundation Trust, as set out on pages 7 to 17, which comprise the statement of financial position as at 29 February 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Trustees' Responsibility for the Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Trust Deed dated 1 June 2002. This responsibility includes: designing, implementing and maintaining internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

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 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 trust'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 trust'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

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.

## **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 LHC Foundation Trust as at 29 February 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Act.

## **Other reports required by the Trust Deed**

As part of our audit of the financial statements for the year ended 29 February 2016, we have read the trustees' report for the purpose of identifying whether there are material inconsistencies between that report and the audited financial statements. The trustees' report is the responsibility of the trustees. Based on reading that report we have not identified material inconsistencies between it and the audited financial statements. However, we have not audited the trustees' report and accordingly do not express an opinion thereon.

*Harel Davidson Inc*

**Harel Davidson Incorporated**  
**M. T. D. Harel**  
**09 June 2016**

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
TRUSTEES' RESPONSIBILITIES AND APPROVAL**

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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 auditor's 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.

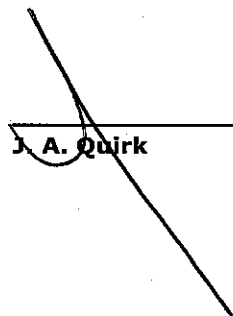
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal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

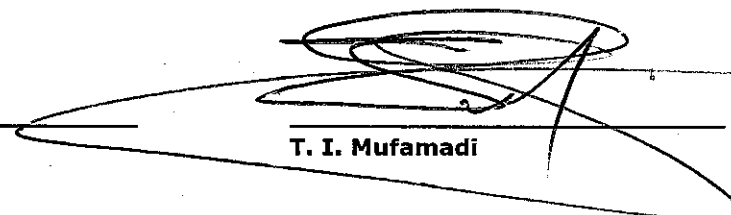
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control 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 2017 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 auditor's are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditor's and their report is presented on page s 2 to 3.

The financial statements set out on pages 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 29 FEBRUARY 2016  
TRUSTEES' REPORT**

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The trustees submit their report on the financial statements of LHC Foundation Trust for the year ended 29 February 2016.

**1. THE TRUST**

The trust was formed in terms of a deed of donations and trust 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](http://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 4 959 753 (2015: R 5 120 870). 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 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. EVENTS AFTER THE REPORTING PERIOD**

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 29 FEBRUARY 2016  
TRUSTEES' REPORT**

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**5. TRUSTEES**

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

**Trustees**

M. A. Black  
D. L. Cochrane  
T. S. Lubede  
J. S. Moonien  
T. I. Mufamadi  
J. A. Quirk

**6. AUDITORS**

Harel Davidson Incorporated continued in office as auditors for the trust for 2016.

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	1,396,703	1,446,387
<b>CURRENT ASSETS</b>			
Trade and other receivables	3	70,455	80,242
Cash and cash equivalents	4	2,218,735	2,014,418
		<b>2,289,190</b>	<b>2,094,660</b>
<b>Total Assets</b>		<b>3,685,893</b>	<b>3,541,047</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Trust capital		1,150,000	1,150,000
Accumulated surplus		2,444,955	2,328,324
		<b>3,594,955</b>	<b>3,478,324</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	66,529	62,723
Provisions	6	24,409	-
		<b>90,938</b>	<b>62,723</b>
<b>Total Equity and Liabilities</b>		<b>3,685,893</b>	<b>3,541,047</b>



**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
STATEMENT OF COMPREHENSIVE INCOME**

<b>Figures in Rand</b>		<b>2016</b>	<b>2015</b>
<b>Donations received</b>	7	<b>4,959,755</b>	<b>5,120,871</b>
<b>Direct project and marketing costs</b>			
Direct project and marketing costs (refer page 18)		(4,025,953)	(4,004,459)
<b>Gross surplus</b>		<b>933,802</b>	<b>1,116,412</b>
<b>Other income</b>			
Other income		-	310
Interest received	8	115,158	83,183
Gains on disposal of assets		-	8,064
		<b>115,158</b>	<b>91,557</b>
<b>Administration and operating expenses</b>			
Administration and management fees		4,221	4,586
Auditors remuneration	9	33,363	17,000
Bank charges		32,757	30,560
Depreciation		150,210	156,174
Employee costs		457,804	455,724
IT expenses		42,637	17,465
Insurance		10,422	5,022
Motor vehicle expenses		12,012	13,335
Municipal expenses		91,174	82,376
Office supplies		5,235	7,080
Printing and stationery		7,895	15,913
Repairs and maintenance		20,656	23,655
Staff welfare		6,778	4,032
Subscriptions		13,051	1,537
Telephone and fax		27,647	26,358
Travel - local		16,467	20,741
		<b>932,329</b>	<b>881,558</b>
<b>Surplus for the year</b>		<b>116,631</b>	<b>326,411</b>

**LHC FOUNDATION TRUST  
 TRADING AS I CARE  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
 STATEMENT OF CHANGES IN EQUITY**

<b>Figures in Rand</b>	<b>Trust capital</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
<b>Balance at 01 March 2014</b>	<b>1,150,000</b>	<b>2,001,913</b>	<b>3,151,913</b>
Changes in equity			
Surplus for the year	-	326,411	326,411
Total changes	-	326,411	326,411
<b>Balance at 01 March 2015</b>	<b>1,150,000</b>	<b>2,328,324</b>	<b>3,478,324</b>
Changes in equity			
Surplus for the year	-	116,631	116,631
Total changes	-	116,631	116,631
<b>Balance at 29 February 2016</b>	<b>1,150,000</b>	<b>2,444,955</b>	<b>3,594,955</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
STATEMENT OF CASH FLOWS**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	12	189,685	356,279
Interest income		115,158	83,183
<b>Net cash from operating activities</b>		<b>304,843</b>	<b>439,462</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(100,526)	(126,374)
Sale of property, plant and equipment	2	-	36,451
<b>Net cash from investing activities</b>		<b>(100,526)</b>	<b>(89,923)</b>
<b>Total cash movement for the year</b>		<b>204,317</b>	<b>349,539</b>
Cash at the beginning of the year		2,014,418	1,664,879
<b>Total cash at end of the year</b>	4	<b>2,218,735</b>	<b>2,014,418</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
ACCOUNTING POLICIES**

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**1. PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. 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 carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided using a systematic basis that matches the consumption of the economic future benefits reflected in the carrying amount of the property, plant and equipment as follows:

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

Land and buildings are not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
ACCOUNTING POLICIES**

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**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 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, are measured at fair value through surplus and deficit.

**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 29 FEBRUARY 2016  
ACCOUNTING POLICIES**

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**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 29 FEBRUARY 2016**

**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2016	2015
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**2. PROPERTY, PLANT AND EQUIPMENT**

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	1,071,955	-	1,071,955	1,071,955	-	1,071,955
Furniture and fixtures	68,158	(54,453)	13,705	68,158	(50,619)	17,539
Motor vehicles	1,264,991	(1,036,438)	228,553	1,164,464	(922,319)	242,145
Office equipment	27,979	(19,520)	8,459	27,979	(14,432)	13,547
IT equipment	32,747	(27,499)	5,248	32,747	(23,923)	8,824
Computer software	40,723	(40,722)	1	40,723	(40,722)	1
Leasehold improvements	235,948	(167,166)	68,782	235,948	(143,572)	92,376
<b>Total</b>	<b>2,742,501</b>	<b>(1,345,798)</b>	<b>1,396,703</b>	<b>2,641,974</b>	<b>(1,195,587)</b>	<b>1,446,387</b>

**Reconciliation of property, plant and equipment - 2016**

	Opening balance	Additions	Depreciation	Total
Land and buildings	1,071,955	-	-	1,071,955
Furniture and fixtures	17,539	-	(3,834)	13,705
Motor vehicles	242,145	100,526	(114,118)	228,553
Office equipment	13,547	-	(5,088)	8,459
IT equipment	8,824	-	(3,576)	5,248
Computer software	1	-	-	1
Leasehold improvements	92,376	-	(23,594)	68,782
	<b>1,446,387</b>	<b>100,526</b>	<b>(150,210)</b>	<b>1,396,703</b>

**Reconciliation of property, plant and equipment - 2015**

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	1,071,955	-	-	-	1,071,955
Furniture and fixtures	20,003	4,397	-	(6,861)	17,539
Motor vehicles	406,885	-	(28,387)	(136,353)	242,145
Office equipment	2,688	14,379	-	(3,520)	13,547
IT equipment	3,042	9,500	-	(3,718)	8,824
Computer software	1	-	-	-	1
Leasehold improvements	-	98,098	-	(5,722)	92,376
	<b>1,504,574</b>	<b>126,374</b>	<b>(28,387)</b>	<b>(156,174)</b>	<b>1,446,387</b>

**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
- Additions - 2011	59,072	59,072
	<b>402,255</b>	<b>402,255</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2016	2015	
<b>2. PROPERTY, PLANT AND EQUIPMENT (continued)</b>			
<b>Property 2</b>			
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	
	<b>669,700</b>	<b>669,700</b>	
<b>3. TRADE AND OTHER RECEIVABLES</b>			
Deposits	56,056	52,426	
Other receivables	4,070	18,363	
VAT	10,329	9,453	
	<b>70,455</b>	<b>80,242</b>	
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of:			
Cash on hand	11,530	11,985	
Bank balances	2,207,205	2,002,433	
	<b>2,218,735</b>	<b>2,014,418</b>	
<b>5. TRADE AND OTHER PAYABLES</b>			
Accruals	35,106	22,443	
Audit fees	26,000	16,637	
Other payables	5,423	-	
Trade payables	-	23,643	
	<b>66,529</b>	<b>62,723</b>	
<b>6. PROVISIONS</b>			
<b>Reconciliation of provisions - 2016</b>			
	<b>Opening balance</b>	<b>Additions</b>	<b>Total</b>
Provisions for employee benefits	-	24,409	24,409
<b>Reconciliation of provisions - 2015</b>			
	<b>Opening balance</b>	<b>Utilised during the year</b>	<b>Total</b>
Provisions for employee benefits	18,014	(18,014)	-
<b>7. REVENUE</b>			
Donations received - Government Ethekwini Municipality	503,460	923,010	
Donations received - Government Social Development	767,871	619,759	
Donations received - Government Sports and Recreation	233,000	-	
Donations received other	3,455,424	3,578,102	
	<b>4,959,755</b>	<b>5,120,871</b>	



**LHC FOUNDATION TRUST  
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NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2016	2015
<b>8. INVESTMENT REVENUE</b>		
<b>Interest revenue</b>		
Bank	115,158	83,183
<b>9. AUDITOR'S REMUNERATION</b>		
Fees	26,000	17,000
Prior year under provision	7,363	-
	<b>33,363</b>	<b>17,000</b>
<b>10. OPERATING SURPLUS</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	156,179	137,466
Motor vehicles		
• Contractual amounts	301,451	307,364
	<b>457,630</b>	<b>444,830</b>
Property, plant and equipment	-	8,064
Depreciation on property, plant and equipment	150,210	156,174
Employee costs	3,066,167	2,936,423
<b>11. TAXATION</b>		
No provision has been made for 2016 tax as the trust is registered as a Public Benefit Organisation and therefore is exempt from Income Tax.		
<b>12. CASH GENERATED FROM OPERATIONS</b>		
Surplus before taxation	116,631	326,411
<b>Adjustments for:</b>		
Depreciation and amortisation	150,210	156,174
Surplus on sale of assets	-	(8,064)
Interest received	(115,158)	(83,183)
Movements in provisions	24,409	(18,014)
<b>Changes in working capital:</b>		
Trade and other receivables	9,787	(10,225)
Trade and other payables	3,806	(6,820)
	<b>189,685</b>	<b>356,279</b>
<b>13. STAFF COSTS</b>		
<b>Salaries and wages</b>		
Salaries and wages included in direct project costs	2,215,196	2,140,688
Salaries and wages included in marketing costs	332,135	365,113
Salaries and wages included in administration costs	432,111	430,622
	<b>2,979,442</b>	<b>2,936,423</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016  
NOTES TO THE FINANCIAL STATEMENTS**

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<b>Figures in Rand</b>	<b>2016</b>	<b>2015</b>
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**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 trustees 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 29 FEBRUARY 2016  
 SCHEDULE OF DIRECT PROJECTS AND MARKETING COSTS**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2016</b>	<b>2015</b>
<b>DIRECT PROJECT AND MARKETING COSTS</b>			
ACE school		72,277	69,914
Collection and distribution of physical donations and support		15,644	30,234
General distribution		81,629	78,457
Gospel ministry		96,455	90,994
Hope Centre costs		1,293,699	1,285,147
Houses - iCare running costs		474,696	505,103
Johannesburg - iCare costs		720,198	757,428
Khutaza Rehabilitation Project		457,630	444,830
Marketing costs		376,762	376,523
Skills development project		87,594	51,018
Staff training		29,466	16,293
Street outreach project		319,903	298,518
<b>DIRECT PROJECT AND MARKETING COSTS FOR THE YEAR</b>		<b>4,025,953</b>	<b>4,004,459</b>