



**LHC FOUNDATION TRUST  
(REGISTRATION NUMBER IT 767/02)  
TRADING AS I CARE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**GENERAL INFORMATION**

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**TRUSTEES**

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

**BUSINESS ADDRESS**

57 Hambridge Drive  
Somerset Park  
Umhlanga

**POSTAL ADDRESS**

PO Box 3355  
Somerset Park  
Durban  
4021

**BANKERS**

Nedbank

**TRUST REGISTRATION NUMBER**

IT 767/02

**NPO NUMBER**

022.669

**PBO NUMBER**

930001893

**LEVEL OF ASSURANCE**

These financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.

**AUDITORS**

Harel Davidson Incorporated  
P.O. Box 35080  
Northway  
4065

**PREPARER**

The financial statements were independently compiled by:  
N. P. Davidson  
CA (SA)

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

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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

#### Qualified opinion

We have audited the financial statements of LHC Foundation Trust set out on pages 8 to 18, which comprise the statement of financial position as at 28 February 2019, 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 2019, 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 donations prior to the initial entry of the donations 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**

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### **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**  
**13 June 2019**

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019  
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 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.

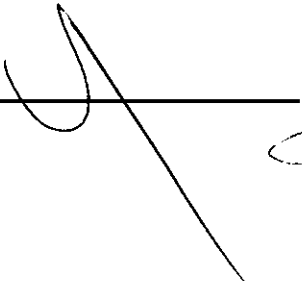
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal 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 29 February 2020 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 pages 3 - 4.

The financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board on 13 June 2019 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 2019  
TRUSTEES' REPORT**

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The trustees have pleasure in submitting their report on the financial statements of LHC Foundation Trust for the year ended 28 February 2019.

**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](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 6 193 661 (2018: R 3 988 390). 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 2019  
TRUSTEES' REPORT**

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**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 2019.



**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**STATEMENT OF FINANCIAL POSITION**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	698 653	1 247 576
<b>CURRENT ASSETS</b>			
Trade and other receivables	3	65 871	73 941
Cash and cash equivalents	4	4 692 609	1 994 236
		<b>4 758 480</b>	<b>2 068 177</b>
<b>Total Assets</b>		<b>5 457 133</b>	<b>3 315 753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Trust capital		1 150 000	1 150 000
Accumulated surplus		4 135 365	2 047 987
		<b>5 285 365</b>	<b>3 197 987</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	91 192	70 190
Provisions	6	80 576	47 576
		<b>171 768</b>	<b>117 766</b>
<b>Total Equity and Liabilities</b>		<b>5 457 133</b>	<b>3 315 753</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**STATEMENT OF COMPREHENSIVE INCOME**

<b>Figures in Rand</b>	<b>2019</b>	<b>2018</b>
<b>Donations received</b>		
Donations received	5 253 886	2 967 549
Donations received - Government Social Development	739 775	772 841
Donations received - Government Sports and Recreation	200 000	150 000
Donations received - National Lotteries Board	-	103 000
7	<b>6 193 661</b>	<b>3 993 390</b>
<b>Direct project and marketing costs</b>		
Purchases	(3 917 363)	(4 253 535)
<b>Gross surplus (deficit)</b>	<b>2 276 298</b>	<b>(260 145)</b>
<b>Other income</b>		
Gains on disposal of assets	415 243	78 000
Interest received	132 993	106 852
8	<b>548 236</b>	<b>184 852</b>
<b>Administration and operating expenses</b>		
Administration and management fees	3 549	7 383
Auditors remuneration	32 000	31 300
Bank charges	23 241	22 180
Consulting and professional fees	45 000	-
Depreciation	102 292	112 725
Employee costs	282 111	246 368
IT expenses	22 589	15 592
Insurance	7 672	8 793
Motor vehicle expenses	15 300	13 626
Municipal expenses	120 852	107 168
Office supplies	6 862	7 507
Printing and stationery	7 091	6 998
Repairs and maintenance	21 184	19 515
Staff welfare	12 676	19 395
Subscriptions	13 204	14 587
Taxation services	-	3 500
Telephone and fax	16 505	18 811
Training	1 634	244
Travel	3 394	8 603
9	<b>737 156</b>	<b>664 295</b>
<b>Surplus (deficit) for the year</b>	<b>2 087 378</b>	<b>(739 588)</b>

**LHC FOUNDATION TRUST  
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**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 2017</b>	<b>1 150 000</b>	<b>2 787 575</b>	<b>3 937 575</b>
Changes in equity			
Surplus for the year	-	(739 588)	(739 588)
Total changes	-	(739 588)	(739 588)
<b>Balance at 01 March 2018</b>	<b>1 150 000</b>	<b>2 047 987</b>	<b>3 197 987</b>
Changes in equity			
Surplus for the year	-	2 087 378	2 087 378
Total changes	-	2 087 378	2 087 378
<b>Balance at 28 February 2019</b>	<b>1 150 000</b>	<b>4 135 365</b>	<b>5 285 365</b>

**LHC FOUNDATION TRUST  
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**STATEMENT OF CASH FLOWS**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	12	1 703 506	(845 562)
Interest income		132 993	106 852
<b>Net cash from operating activities</b>		<b>1 836 499</b>	<b>(738 710)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(223 069)	(99 974)
Sale of property, plant and equipment	2	1 084 943	78 000
<b>Net cash from investing activities</b>		<b>861 874</b>	<b>(21 974)</b>
<b>Total cash movement for the year</b>		<b>2 698 373</b>	<b>(760 684)</b>
Cash at the beginning of the year		1 994 236	2 754 920
<b>Total cash at end of the year</b>	4	<b>4 692 609</b>	<b>1 994 236</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**ACCOUNTING POLICIES**

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**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:

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
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  
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**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 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  
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ACCOUNTING POLICIES**

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**1.4 DONATIONS RECEIVED**

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  
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**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand 2019 2018

**2. PROPERTY, PLANT AND EQUIPMENT**

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	402 255	-	402 255	1 071 955	-	1 071 955
Furniture and fixtures	77 132	(68 600)	8 532	77 132	(63 272)	13 860
Motor vehicles	1 315 682	(1 027 822)	287 860	1 203 038	(1 062 873)	140 165
Office equipment	27 979	(27 977)	2	27 979	(27 977)	2
IT equipment	32 747	(32 746)	1	32 747	(32 746)	1
Computer software	40 723	(40 722)	1	40 723	(40 722)	1
Leasehold improvements	235 948	(235 946)	2	235 948	(214 356)	21 592
<b>Total</b>	<b>2 132 466</b>	<b>(1 433 813)</b>	<b>698 653</b>	<b>2 689 522</b>	<b>(1 441 946)</b>	<b>1 247 576</b>

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	1 071 955	-	(669 700)	-	402 255
Furniture and fixtures	13 860	-	-	(5 328)	8 532
Motor vehicles	140 165	223 069	-	(75 374)	287 860
Office equipment	2	-	-	-	2
IT equipment	1	-	-	-	1
Computer software	1	-	-	-	1
Leasehold improvements	21 592	-	-	(21 590)	2
	<b>1 247 576</b>	<b>223 069</b>	<b>(669 700)</b>	<b>(102 292)</b>	<b>698 653</b>

**Reconciliation of property, plant and equipment - 2018**

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



**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Figures in Rand</b>	<b>2019</b>	<b>2018</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
<b>Details of properties</b>		
<b>Property 1</b>		
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 since purchase or valuation	222 255	222 255
	<b>402 255</b>	<b>402 255</b>
<b>Property 2</b>		
Erf 376 Brixton situated at 91 Caroline Street, Brixton in the province of Gauteng.		
This property was sold during the financial year ended.		
- Purchase price: 4 July 2012	-	650 000
- Additions since purchase or valuation	-	19 700
	-	<b>669 700</b>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
Deposits	56 125	56 125
Other receivables	710	5 607
VAT	9 036	12 209
	<b>65 871</b>	<b>73 941</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Call account	4 382 137	1 885 296
Current accounts	307 876	106 083
Cash on hand	2 596	2 857
	<b>4 692 609</b>	<b>1 994 236</b>
<b>5. TRADE AND OTHER PAYABLES</b>		
Accruals	48 563	32 553
Audit fees	32 300	31 300
Other payables	10 329	6 337
	<b>91 192</b>	<b>70 190</b>

**LHC FOUNDATION TRUST  
TRADING AS I CARE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**Figures in Rand** **2019** **2018**

**6. PROVISIONS**

**Reconciliation of provisions - 2019**

	<b>Opening balance</b>	<b>Additions</b>	<b>Total</b>
Provisions for employee benefits	47 576	33 000	80 576

**Reconciliation of provisions - 2018**

	<b>Opening balance</b>	<b>Additions</b>	<b>Utilised during the year</b>	<b>Total</b>
Provisions for employee benefits	70 583	33 000	(56 007)	47 576

**7. REVENUE**

Donations received - other	5 253 886	2 967 549
Donations received - Government Social Development	739 775	772 841
Donations received - Government Sports and Recreation	200 000	150 000
Donations received - National Lotteries Board	-	103 000
	<b>6 193 661</b>	<b>3 993 390</b>

**8. INVESTMENT REVENUE**

<b>Interest revenue</b>		
Bank	132 993	106 852

**9. AUDITOR'S REMUNERATION**

Fees	32 000	31 300
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**10. OPERATING SURPLUS (DEFICIT)**

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

**Operating lease charges**

Premises		
• Contractual amounts	276 291	220 078
Motor vehicles		
• Contractual amounts	310 885	417 703
	<b>587 176</b>	<b>637 781</b>

Depreciation on property, plant and equipment	102 292	112 725
Employee costs	282 111	246 368
Property, plant and equipment	415 243	78 000

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**NOTES TO THE FINANCIAL STATEMENTS**

Figures in Rand	2019	2018
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**11. TAXATION**

**Major components of the tax expense**

No provision has been made for 2019 tax as the trust is registered as a Public Benefit Organisation and therefore is exempt from Income Tax.

**12. CASH GENERATED FROM (USED IN) OPERATIONS**

Surplus (deficit) before taxation	2 087 378	(739 588)
<b>Adjustments for:</b>		
Depreciation and amortisation	102 292	112 725
Surplus on sale of assets	(415 243)	(78 000)
Interest received	(132 993)	(106 852)
Movements in provisions	33 000	(23 007)
<b>Changes in working capital:</b>		
Trade and other receivables	8 070	5 677
Trade and other payables	21 002	(16 517)
	<b><u>1 703 506</u></b>	<b><u>(845 562)</u></b>

**13. STAFF COSTS**

**Salaries and wages**

Salaries and wages included in direct project costs	2 078 127	2 367 713
Salaries and wages included in marketing costs	576 924	489 854
Salaries and wages included in administration costs	261 247	222 661
	<b><u>2 916 298</u></b>	<b><u>3 080 228</u></b>

**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.

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**SCHEDULE OF DIRECT PROJECTS AND MARKETING COSTS**

Figures in Rand	Note(s)	2019	2018
<b>DIRECT PROJECT AND MARKETING COSTS</b>			
ACE school		79 824	98 444
Collection and distribution of physical donations and support		99 858	82 159
General distribution		13 450	72 096
Gospel ministry		-	33 538
Hope Centre costs		1 378 368	1 317 780
Houses - iCare running costs		575 998	498 956
Johannesburg - iCare costs		28 420	485 238
Khutaza Rehabilitation Project		587 176	637 781
Marketing costs		582 338	494 663
Skills development project		156 264	123 503
Staff training		10 250	5 235
Street outreach project		405 417	390 723
Sustainability Project		-	650
Volunteer program		-	12 769
		<b>3 917 363</b>	<b>4 253 535</b>