

THE HOLY CROSS CHILDREN'S TRUST

(Registered Number 1095593)

TRUSTEES' ANNUAL REPORT & ACCOUNTS

for the year ended

31 MARCH 2005

THE HOLY CROSS CHILDREN’S TRUST (“TRUST”)

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THE HOLY CROSS CHILDREN'S TRUST

TRUST AND TRUSTEE DETAILS

1. Registered Address

Kingscote, Binfield Road, Wokingham, Berkshire RG40 5PP, U.K.

2. Bank Details

Account Name: The Holy Cross Children's Trust

Account Number: 02988101

Address: Nedbank Limited, 1st Floor, Old Mutual Place, 2 Lambeth Hill,
London EC4V 4GG

Bank Sort Code: 30-15-61

3. Independent Examiners

Villars Hayward

Chartered Accountants, Registered

Auditors and Chartered Tax Advisers

Henley

Berkshire

4. Lawyers

Linklaters

1 Silk Street,

London EC2Y 8HQ

5. Charity Registration

Holy Cross Children's Trust

Registered Charity Number: 1095593

Registered by: The Charity Commission for England and Wales

6. Trustees

Mrs. E Bellm; Mrs. M Brenninkmeyer; Mrs B Fisher (Secretary); Mr. D H
Millard (Chairman & Settlor); Mrs. P Millard; Mr S P Millard (Treasurer)

THE HOLY CROSS CHILDREN'S TRUST

STATEMENT OF THE CHARITABLE OBJECTS OF THE HOLY CROSS CHILDREN'S TRUST

The following Charitable Objects are extracted from the Trust Deed dated 20 November 2002:

“The Trustees shall hold the Trust Fund and its income upon trust to apply both income and capital for the relief of financial distress and suffering of children in Kwazulu Natal who:

- have been orphaned as a result of Acquired Immune Deficiency Syndrome (AIDS) or Human Immune Deficiency Virus (HIV); or
- are suffering with AIDS or HIV

and the Trustees may make grants primarily to the Holy Cross Hospice, Gingindlovu, Kwazulu Natal for the provision of food, clothing, bedding, medical treatment, and counselling to such children and the provision of any other benefits or services in furtherance of the objects of the Charity.”

THE HOLY CROSS CHILDREN'S TRUST
TRUSTEES' REPORT ON ACTIVITIES OF THE TRUST
FOR THE YEAR ENDED
31 MARCH 2005

1. The Trust's Objectives for the year under review.

The primary objectives of the Trust for the period ended March 2005 were

- to provide clothing and essentials to the children under the care of the Holy Cross Hospice (HCH);
- to provide ongoing financial support programme for the Caregivers who are employed at the HCH;

with the overall aim being the welfare of the children in the 50 square kilometre area surrounding the HCH.

In order to fund the above, the aim of the Trustees was to raise money by way of donations, pledges and fund raising events. The target for the period was to ensure that funds were available to disburse not less than £25,000 in the year on the above, if necessary.

3. The Holy Cross Hospice

(a) Background and Issues

In the report for the period ended 31st March 2004, the issues facing the Holy Cross Hospice (HCH) were set out in full. In the year under review, those issues remained basically unchanged: the HIV/AIDS incidence rate in the area surrounding the HCH remains one of the highest in South Africa (35%-40%) and the area continued to be designated an AIDS Pandemic Disaster Zone by the South African government. As a deeply rural and impoverished region, the profound implications on the delivery of an effective health care and social welfare service thus remained a priority.

(b) The Holy Cross Hospice

The HCH consists of a 40-bed hospice, a day care centre and the local district clinic. These are adjacent to the local Catholic church and to a primary and secondary school.

The HCH is run by Sister Priscilla Dlamini, a Benedictine nun who was brought to the HCH in 2000 by Bishop Biyase, the Catholic bishop responsible for the surrounding area. The HCH is the main institution in the region providing care for the children who are affected by and/or infected with HIV/AIDS. The HCH is a non-state, charitable organisation whose main aim is to provide palliative care to those that are terminally ill with HIV/AIDS.

THE HOLY CROSS CHILDREN'S TRUST

TRUSTEES' REPORT ON ACTIVITIES OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2005 (CONTINUED)

(c) Home Based Care Programme

Sister Priscilla founded the Home Based Care Programme (HBCB) in 2002. The aim was to provide support to families - especially the child headed families - HIV/AIDS terminally ill, orphaned and vulnerable children in this severely disadvantaged community. The Caregivers go out in to the community and provide this service on a house-to-house basis and, where necessary, also help feed the children. The programme is staffed by Caregivers who are paid a monthly allowance by the Trust.

At the time the Holy Cross Children's Trust became involved with the HCH, there were some 300 child headed families and 1,000 orphaned children in the surrounding area and, as the Caregivers began to reach out deeper in to the community, more orphaned and HIV infected children were being identified daily. By the end of the year under review, there were 508 child headed families and 1,254 orphaned children under the care of the HBCP.

The Caregivers continued to receive training from Sister Priscilla covering many aspects like primary health care, AIDS, Child and bereavement counselling, personal growth, rape crisis, yoga, palliative care, AIDS awareness and prevention and Natural Family Planning.

The activities carried out by the Caregivers were set out in full in the previous year's report and during the year, the Caregivers made visits to over 2,000 households in the area. The HBCP remains one of the biggest projects of its kind in Kwazulu Natal.

(d) Creche

In the previous year's report, mention was made of a plan by the HCH to utilise funds raised from other donors to build a crèche that could house up to 150 orphaned children between the ages 2-6 years to replace the rudimentary Day Care Centre at the HCH that could only house 24 children.

In August 2004, the crèche, which was funded by donations from others, was opened by Bishop Biyase and began accepting children. By the end of March 2005, some 80 children were enrolled at the crèche. The challenge is to provide transport for the children in this deeply rural area where there is no public transport and the very young children would otherwise need to walk long distances to attend the crèche. Inroads are being made to solve this problem and the Trust plans to participate, if necessary, in providing support of this transport initiative.

The children receive 3 meals a day at the crèche thereby improving their health significantly. The plan is for the Trust to commence funding this feeding scheme at the crèche in the period ahead.

THE HOLY CROSS CHILDREN'S TRUST

TRUSTEES' REPORT ON ACTIVITIES OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2005 (CONTINUED)

(e) The Hospice

The 40 bed hospice provides a sanctuary for the terminally ill members of the community and a place where they can die with dignity. There are no other similar facilities in the area. The hospice is staffed by trained nurses and periodically by Caregivers.

3. The Trust's Projects

In the year under review, the Trust's funding was mainly limited to the payment of allowances for Caregivers. During the year, 17.8 Caregivers, on average, received a monthly allowance of between ZAR500 - ZAR 720 each (£45 - £65) and, by the end of the period, there were 18 Caregivers in the HBCP being funded by the Trust. The plan in the year ahead is for the Caregiver complement to be increased to 24. The Trust will fund the increase in allowances.

As outlined in the previous report, the Trust launched a highly successful programme to collect second hand children's clothes, shoes, books and blankets from schools in the Berkshire area and some six tons of items were shipped out to the HCH in July 2003. However, the South African Customs refused to allow the clothing in the container to be cleared, having cleared the balance duty free in October 2003 after much negotiation with the authorities.

After, further negotiations and many representations, including direct contact with the State President of South Africa, the clothes were ultimately released in January 2005 at no cost to the Trust. Certain of the Trustees and their family and friends unloaded the container at the HCH and assisted with the distribution of the clothing.

4. Fundraising

Funds raised by the Trust emanated from the following sources in the period under review:

- *Trustees*
- *Private donors*; mainly from friends and/or business colleagues of the Trustees
- *Businesses*; primarily those with whom the chairman of Trustees does business. Sister Priscilla met with the charity co-ordinators of a number of these businesses to provide first hand background to the HCH in 2003 following the launch of the Trust.

THE HOLY CROSS CHILDREN'S TRUST

TRUSTEES' REPORT ON ACTIVITIES OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2005 (CONTINUED)

- *Elton John AIDS Foundation*; This resulted from an application in July 2003 for funding to support the HBCP, cover the costs of the Caregivers allowances and further develop the programme. This followed on from a meeting between Sister Priscilla, the Trust and the Foundation's Director. The application was approved in January 2004 for the period up to the end of March 2005 for £16,641. An application for continued funding for a further two years is under review.
- *Fund raising event*; The Trustees held a champagne reception at the Royal Academy on 21st April 2005 in conjunction with the London Original Print Fair to raise funds for the Trust. The event was attended by nearly 700 people and raised some £40,000 after all direct expenses. Donations and advance contributions for the evening amounting to £4, 659 were received by the end of the year under review.

5. Financial Overview

For the year ended 31st March 2005, the Trust received total cash receipts of £23,020 (2004: £36,655) from which £14,752 was outlaid (2004: £23,852) leaving a surplus for the year of £8,268 (2004: £12,803). All administration and the other costs of operating the Trust, as well as the services of the Trustees, is provided free of charge.

The total net assets of the Trust at 31 March 2005 amounted to £26,040 (2004:£19,428) and were represented by £21,072 (2004: £12,804) in funds deposited with banks and a motor vehicle with a written down book value of £4,968 (2004:£6,624).

The trustees consider that the reserves of £26,040 are adequate and not excessive.

6. Governance

The Trustees, as set out earlier in this report, served for the full period under review. The Trustees meet as and when necessary. During the year, the Trustees met formally 4 times in the year (2004:10) and, at all such meetings, the Chairman and a majority of Trustees were present.

The Trust has set up a system to ensure that the allowances for the Caregivers are paid directly to each individual Caregiver and that payment is acknowledged by the intended recipients. All other disbursements are controlled appropriately. All donations and bequests are acknowledged.

The activities of the HCH are directed and controlled by an independent Board of Trustees, made up of local leaders in the community, that meets monthly and to whom Sister Priscilla is responsible for the management of the HCH.

THE HOLY CROSS CHILDREN'S TRUST
TRUSTEES' REPORT ON ACTIVITIES OF THE TRUST
FOR THE YEAR ENDED
31 MARCH 2005
(CONTINUED)

The Chairman of the Trust met with the Board of Trustees of the HCH on one occasion during the period. The Trust is in weekly contact with Sister Priscilla to monitor progress and deal with any issues affecting the Trust's interests. During the period, the chairman of the Trust and other Trustees also visited the HCH in South Africa on 4 occasions to review activities and to participate in several of Sister Priscilla's programmes.

7. Risk Management

Major risks to which the Charity is exposed have been identified. The process of identification and review will continue over the next twelve months.

Signed on behalf of the Trustees this day of

**D H Millard – Chairman of Trustees &
Settlor of Trust**

S P Millard – Trustee

THE HOLY CROSS CHILDREN'S TRUST
STATEMENT OF CASH RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		<u>£</u>	<u>£</u>
General Unrestricted - Income Funds -			
<u>CASH RECEIPTS</u>			
Donations	1.	16,747	36,529
Fund Raising Event	2.	4,659	-
Gift Aid Relief	3.	1,204	-
Interest Received		410	126
TOTAL RECEIPTS		<u>23,020</u>	<u>36,655</u>
<u>CASH EXPENDITURE</u>			
CHARITABLE PAYMENTS			
Bequests to Holy Cross Hospice			
- Allowances to Caregivers	4.	14,005	13,055
- Food parcels		-	3,320
- Stationery for day Care Centre		-	376
- Motor Vehicle Insurance		432	-
		<u>14,437</u>	<u>16,751</u>
Motor Vehicle for Holy Cross Hospice	5.	-	6,624
Bank charges		315	477
TOTAL CASH OUTLAID		<u>14,752</u>	<u>23,852</u>
<u>NET CASH SURPLUS FOR THE PERIOD</u>		<u>8,268</u>	<u>12,803</u>

THE HOLY CROSS CHILDREN'S TRUST

**STATEMENT OF ASSETS
AS AT 31 MARCH 2005**

	<u>2005</u>	<u>2004</u>
MONETARY ASSETS		
Amounts on deposit with banks		
- Nedbank Bank Limited: London	19, 189	12, 277
- Standard Bank of SA Limited: Durban	6. 1, 883	527
	<u>21, 072</u>	<u>12, 804</u>
OTHER ASSETS		
Motor Vehicle	5. 4, 968	6, 624
<u>TOTAL NET ASSETS AT 31 MARCH 2005</u>	<u>26, 040</u>	<u>19, 428</u>

Signed on behalf of the Trustees this day of

**D H Millard – Chairman of Trustees &
Settlor of Trust**

S P Millard – Trustee

THE HOLY CROSS CHILDREN'S TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

1. Donations

The following donations were received in the period:

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Trustees	1, 990	2, 100
Businesses	100	8, 100
Private Individuals*	4, 324	14, 488
School Fund Raising – Lambrook Haileybury	-	3, 533
Elton John AIDS Foundation	8, 333	8, 308
St. Paul's Parish - Haywards Heath , W Sussex	2, 000	-
	<u>16, 747</u>	<u>36, 529</u>

* (Consisted of 9 individual donations [2004: 25 of which one donor donated £10, 000 to mainly fund the purchase of a motor vehicle for the HCH])

2. Fund Raising Event

The Trust held a fund raising event at the Royal Academy, London in association with The London Original Print Fair on 21st April 2005 which raised some £40,000 net of direct expenses. The amount set out represents donations and ticket sales less expenses by 31st March 2005.

3. Caregivers Allowances

The average number of Caregivers that were employed for the period was 17.8 (2003:16.2) and, by the end of the year, there were 18 Caregivers. The allowances ranged from ZAR500 – ZAR720 per month (£45 - £65). A Christmas bonus of ZAR 350 (£32) was paid to each Caregiver in December 2005.

The Caregivers' allowances are paid via direct debit from Standard Bank of South Africa, Durban branch in to each Caregiver's individual bank account.

4. Gift Aid Relief

The Inland Revenue made a payment of £1109 plus interest of £23 to the Trust in respect a claim for repayment of tax under the Gift Aid scheme for the period ended 31st March 2004

THE HOLY CROSS CHILDREN'S TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

5. Motor Vehicle

A Toyota Corolla 1.6 litre motor vehicle, registration ND 439 081 was acquired by the Trust in March 2004 and registered in the name of the HCH for the use by Sister Priscilla or designated employees of the HCH. In the event that Sister Priscilla is removed from the HCH against her will, the HCH will transfer ownership of the vehicle back to the Trust. The Trust is responsible for the insurance of the vehicle but not for its running costs.

The vehicle has been depreciated at a rate of 25% per annum

6. Standard Bank of SA Limited – Durban

In order to facilitate the payment of allowances to Caregivers and minimise bank charges, an account was opened with the Standard Bank of SA Ltd. However, under South African Exchange Control Regulations a non-South African Trust cannot operate a bank account. As a consequence, an account in the name of one of the Trustees, Mrs P Millard was opened for the sole benefit of the Trust.

The sterling rates of exchange used for the period were:

- average : ZAR 11.23
- at 31 March 2004: ZAR 11.19

7. Basis of Accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

8. Taxation

The Trust is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

HOLY CROSS CHILDREN'S TRUST

REPORT BY THE INDEPENDENT EXAMINER FOR THE YEAR ENDED 31 MARCH 2005

I report on the accounts of the Trust for the year ended 31 March 2005 which are set out on pages two to twelve.

Respective Responsibilities of Trustees and Examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply and that an independent examination is needed. It is my responsibility to examine the accounts under section 43(3)(a) of the Act and to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act.have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

N M Smith ACA, CTA
Villars Hayward
Chartered Accountants
Boston House
Henley-on-Thames

RG9 1DY

Date:

2005