

THE HOLY CROSS CHILDREN'S TRUST

(Registered Number 1095593)

TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

THE HOLY CROSS CHILDREN'S TRUST ("THE TRUST")

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THE HOLY CROSS CHILDREN'S TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

1. Principal Office & Registered Address

Kingscote, Binfield Road, Wokingham, Berkshire RG40 5PP, UK

2. Bank Details

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

Bank Sort Code: 30-15-61

Account Name: The Holy Cross Children's Trust

Account Number: 02988101

3. Independent Examiner

N M Smith ACA, CTA

Villars Hayward

Chartered Accountants, Registered

Auditors and Chartered Tax Advisers

Henley-on-Thames

RG9 1DY

4. Lawyers

Linklaters

1 Silk Street,

London EC2Y 8HQ

5. Charity Registration

Name of Charity: Holy Cross Children's Trust

Registered Charity Number: 1095593

Registered by: The Charity Commission for England and Wales

6. Trustees (for full period & at date of report)

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

7. Website

Address: www.holycrosschildrenstrust.org

Contact: info@holycrosschildrenstrust.org

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

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, South Africa 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.

The Trustees may make grants - primarily to the Holy Cross AIDS Hospice, Emoyeni, 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

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

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

The primary objectives of the Trust for the year ended 31st March 2007 were

- to provide funding, as requested by the Holy Cross Hospice (HCH) Project Director, Sister Priscilla Dlamini, to support specific programs for the children under the care of the HCH
- to provide the Caregivers, who are employed at the HCH primarily to tend to the children in the surrounding area, with a monthly allowance

with the overall aim being the welfare of the orphaned children and child headed families 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 so that sufficient funds would be available to disburse some £30,000 per annum, for the foreseeable future, to achieve the above objectives and to fund one-off capital projects.

2. Activities, Achievement and Performance

(a) Background and Issues facing the HCH and the Trust

The issues facing the HCH in the period under review were basically unchanged from prior years

- the HIV/AIDS incidence rate in the area surrounding the HCH remains one of the highest in South Africa (35%-40%)
- the area is designated an AIDS Pandemic Disaster Zone by the South African government and the number of orphans and child headed families continues to increase
- this is a deeply rural and impoverished region of Kwazulu Natal and thus the difficulty in delivering an effective health care and social welfare service is profound, yet the need is great.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

(b) The HCH facilities and programmes

The HCH is situated near Emoyeni, some 120 kilometres north east of Durban, in Kwazulu Natal, South Africa. The HCH is, however, not merely a hospice. It consists of a "complex" that incorporates a 40-bed hospice, a crèche, the local district clinic, a training centre for Caregivers, offices for the HCH and a garden that grows medicinal herbs. The "complex" is situated adjacent to the local Catholic Church and convent and to an 850 pupil co-educational primary and secondary school.

The HCH is run by Sister Priscilla Dhlamini, a Benedictine nun who was brought to the HCH in 1998 by Bishop Biyase, the Catholic bishop who was responsible for the Eshowe diocese. At that time, the HCH only consisted of a clinic and all of the facilities that are now at the HCH were developed by Sister Priscilla, having been funded by various donors. The HCH is also the only institution in the surrounding area that provides care for 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 care to those who are terminally ill, primarily with HIV/AIDS.

(c) Home Based Care Programme

Sister Priscilla founded the Home Based Care Programme (HBCP) in 1998. The aim was to provide direct support in the community to families - especially the child headed families – and to HIV/AIDS terminally ill people within those families - and to orphaned and vulnerable children in this severely disadvantaged community. This is carried out by Caregivers, who go out in to the community on a house-to-house basis to provide this support and, where necessary, also help feed the children.

The project was initially successful but Caregiver attrition rates were high and coverage inconsistent as Sister Priscilla was only able enrol volunteer Caregivers and only on a part-time basis. In consultation with Sister Priscilla, the Trust embarked on a program to pay Caregivers on a monthly basis for full-time work. Since this commenced in 2002, the number of Caregivers has risen from 13 part-time to 25 full-time Caregivers and the coverage has increased significantly.

At the time The Trust became involved with the HCH in late 2002, 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/AIDS infected children were identified. By the end of the year under review, there were 690 child headed households and 1,700 orphaned children under the care of the HBCP. (A "child headed

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

household” is one in which both parents are deceased and where one of the children – normally the eldest – is responsible for his and his siblings care and upbringing).

Sadly, the prognosis is that the number of orphaned children will continue to increase in the years ahead.

The Caregivers receive training from Sister Priscilla and from outside agencies covering many aspects such as primary health care, AIDS treatment, 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 who provide support to the child headed families and orphans are as follows:

- Visits every week to the homes of the child headed families.
- Distribution of food parcels.
- Ensuring that the children who are the head of the families and that were sent to schools, remain there; some refuse to go back to school as they feel that they are “adults” having “played the adult role” for so long.
- Preparing “memory boxes” for each child headed family, thereby keeping mementos and family documents in safe keeping; the former to maintain a link to their family and the latter being critical to ultimately provide proof that they are orphans and hopefully qualify for State support.
- Writing letters to school headmasters to request them to admit the orphans in to their schools; not all orphans are accepted for free as schools have budgetary constraints and are invariably reluctant or unable to accommodate non-fee paying children.
- Supplying, where possible, the orphans with uniforms, stationery, blankets in winter and paying their school fees or “negotiating” with the authorities to have the fees waived.
- Arranging for houses to be built for the child headed families whose parents have died and left them without any shelter.
- Supplying children with clothing and any basic needs.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

- Encouraging the children to set up home and maintain vegetable gardens in order to get nourishing foods.
- Helping orphaned children get their birth certificates and the death certificates of their parents which is necessary to enable children to apply for State grants. The Caregivers arrange for the orphaned children to be screened and referred to Department of Social Welfare so that they can obtain the grants.

(c) Home Based Care Programme (continued)

In essence, the Caregivers act as “surrogate parents” for these children. During the year, the Caregivers made 5,416 household visits (2006: 5,357) thereby ensuring that the Trust’s objective of maintaining a wide and deep the level of care for the children in the community is maintained. The HBCP remains one of the biggest projects of its kind in Kwazulu Natal.

The HCH commenced a joint project in 2004 with a Holland based donor, The Homeplan Foundation (www.homeplan.nl) to provide pre-fabricated houses for child headed families. The ultimate aim is to build some 200 houses by 2008. The progress of the project, however, was suffering from a lack of transport to ferry the building materials out to the sites in the surrounding areas. The Trust decided to facilitate this by providing, in September 2005, a 1.3 ton truck. By the end of the period under review, 96 houses (2206: 79) had been erected to house some 379 children (2006: 250). During the period, the truck was also utilised to transport children to the crèche at the HCH. (see below). This enabled the Trust to utilise the vehicle more fully than in prior years to the benefit of the children.

(d) Crèche

In previous reports, mention was made of a plan by the HCH to utilise funds raised from other donors to build a crèche to cater for up to 150 mainly orphaned children between the ages of 2-6 years.

The Bishop Mansuet Biyase crèche opened in August 2004 with an initial intake of some 60 children. By the end of March 2007, some 124 children (2006: 90) were enrolled at the crèche and staffed by 4 teachers. The crèche has 4 classrooms, a central service area and is fully equipped with a playground adjacent. During the period the Trust funded the salary of a remedial teacher.

One of the challenges, however, 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.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

Another donor has made some funds available to help fund transportation of the children. In the year under review, the number of sites was increased to 3, commensurate with the increase in enrollment at the crèche, and the Trust's

1.3 ton truck, which was fitted with a cab, was utilised to transport the children to the crèche for some of the year.

The children also receive 3 meals a day at the crèche thereby improving their health significantly. The Trust indicated to the HCH that it will partly fund this feeding scheme at the crèche if there is a shortfall in funding from other sources. In the year, the Trust provided funds for this feeding scheme and equipment.

The primary purpose of having the children at the crèche is to allow them to play, be children and escape from the predicament they face as orphans and members of a child headed family. The crèche is thus a very important element in the total care "package" provided by the HCH.

(e) Satellite facilities

The area that is covered by the Caregivers is a 50 square kilometres deeply rural area with no/limited transport. In order to access orphaned children in the more remote areas, Sister Priscilla has established 2 satellite sites which consist of pre-fabricated buildings supplied by the Homeplan Foundation and staffed by the Caregivers who live in these remote areas. From these sites it is more practical to access the children and provide them with nurturing, care and meals.

The satellites currently care for 68 children. The Trust pays the wages of a cook and the allowances for those Caregivers in the areas surrounding these satellites. In March 2007, the Trust funded equipment at one of the new satellites and the cost of the food provided to the children.

(f) 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 a trained nurse and periodically by Caregivers.

THE HOLY CROSS CHILDREN'S TRUST
OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE
(CONTINUED)

3. FUND RAISING ACTIVITIES

(a) Funding Policy

The Trust's funding policy is to have cash reserves at any point in time that would enable it to fund not less than 18 months of future commitments. Based on past experience and likely future commitments, the Trust should thus have cash reserves of c. £45,000.

Currently, the primary fund raising medium is a bi-annual event at the Royal Academy of Arts in conjunction with the London Original Print Fair. Funds raised from this event are supplemented by donations from friends and colleagues of the Trustees and from donors that access the charity via its website.

(b) Fund raising

(i) Events

The Trust held a successful fundraising event at the Royal Academy of Arts in April 2005 and net proceeds amounted to £41,400. This placed the Trust in a sound financial position and, for the year under review cash reserves were, on average, £52,000 which represented c. 20 months of likely commitments to the HCH.

During the current year, much of the planning for the next event took place. This event was held after the current year end, on 23rd April 2007. In the planning stage, however, it was recognised that the key to the success of the event was to secure a sponsor for much of the costs. The Trust was thus fortunate in obtaining the sponsorship of Towry Law plc for all of costs of the event thus ensuring that all ticket sales and donations in lieu thereof went to the benefit of the children. Ticket sales thus commenced during the current financial year and the event was ultimately very successful, raising some £45,000 from ticket sales and from donations in lieu of tickets.

A full accounting of the event will be set out in the next year's report and is summarised in note 2 to the financial statements.

(ii) Donations

The Trust receives donations, primarily from friends and colleagues of the Trustees and, at the time of fund raising events, receives donations in lieu of tickets for the event. The Trust does not make any public appeals for

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

donations relying on “word of mouth” and individual appeals by Trustees and unsolicited donations via the Trust’s website. In the current year, the Trust received donations of £5,599 from 13 people.

(iii) Sponsorships

The Trust was nominated in the current as the sponsored charity for a person who was running in the London Marathon by a person who became acquainted with the charity via the website. In the previous year, a similar sponsorship was received from a person running in the Gobi Desert Marathon.

(iv) The Website

The Trust maintains a website (www.holycrosschildrenstrust.org) that provides information on the The Trust and a link to an on-line charitable donations service, Justgiving.

A custom made link via Paypal was also used to receive donations and issue tickets for the fundraising event due to be held at the Royal Academy in April 2007.

THE HOLY CROSS CHILDREN'S TRUST

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is governed by a Deed of Trust entered in to on 20th November 2002. The Charitable Objects of the Trust are set out on Page 3 of this report and the Powers of the Trustees generally provide the Trustees with the ability to do such things, within the law, as are necessary for the achievement of the Objects.

The names of the Trustees are set out on Page 2 of this document. Apart from Dee Simond, who became a Trustee in April 2003 when Lisa Millard resigned, all Trustees have served since inception of the Trust in 2002. The Settlor of the Trust, Dennis Millard, has the power to appoint new or additional Trustees.

The Trustees meet periodically and as necessary. During the year under review, the Trustees met formally 6 times (2006: three) and at all such meetings the Chairman and a majority of Trustees were present. The administration and day-to-day management of the Trust has been delegated to the Chairman and Mrs. Millard by the Trustees.

At Trustee meetings, the Trustees

- review results against plans and forecasts
- receive a report on the activities of the HCH
- review and plan fund raising activities
- decide upon matters such as major disbursements and capital outlays, fund raising strategy, etc.

The Chairman and his wife, Mrs Paula Millard, are in contact with Sister Priscilla on at least a weekly basis to monitor progress and deal with any issues affecting The Trust's interests. During the year under review, the Chairman and Mrs Millard travelled to South Africa on 5 occasions (2006: 4) to review the HCH's activities, address the Caregivers and to participate in several of Sister Priscilla's programmes.

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

The key risks to which the Charity is exposed relate to the following:

- **the ability to fund on-going commitments**; the experience to date is that, through personal contacts, donations and fund raising activities, the Trust has been able to raise sufficient funds to meet these on-going commitments (c. £30,000 per annum). In addition, it is the policy of the

THE HOLY CROSS CHILDREN'S TRUST
STRUCTURE, GOVERNANCE AND MANAGEMENT
(CONTINUED)

Trustees to always have in hand sufficient cash reserves to fund some 18 months of future commitments

- **disbursement of allowances to Caregivers;** The Trust receives a monthly report from Sister Priscilla on each Caregiver and a requisition to pay their allowances. The Trust has set up a system and a process via a bank in South Africa to ensure that the allowances for the Caregivers are paid *directly* to each individual Caregiver's bank account and payment is acknowledged by the intended recipients

- **administration of the financial affairs of The Trust;** All disbursements are controlled appropriately and payments made directly to the providers of goods or services. All donations and bequests are acknowledged. The accounts of the Trust are reviewed by an Independent Examiner. The Trustees believe that the processes and systems that are in place are adequate and fit for purpose.

- **reliance on Sister Priscilla;** the HCH owes its success to the drive and dedication of Sister Priscilla. It is recognised that currently there is no ready successor for Sister and that she could be hard to replace. There is, however, an organisation, structure, staffing and local Board in place and functioning well under Sister's guidance. This is kept under close review and Sister is seeking to employ a suitably qualified deputy though, given the role and rural nature of the position, she has had limited success to date.

THE HOLY CROSS CHILDREN'S TRUST

FINANCIAL REVIEW

In the year ended 31 March 2007, the Trust received £25,113 which arose from the following sources:

- *Donations*; amounting to £5,599 from friends and/or business colleagues of the Trustees and unsolicited donations and pledges via the website. (see note 1 to the Financial Statements)
- *Fund raising event*; the Trust's second, bi-annual fund raising reception was held at the Royal Academy of Arts in conjunction with the London Original Print Fair on 23rd April 2007. Advance ticket sales and donations in lieu thereof amounting to £9,330 were received in the year under review. The event was attended by about 700 people and ultimately raised some £45,000 after all expenses. (See note 2 to the Financial Statements)
- *Gift Aid Relief*; an amount of £8,343 in respect of Gift Aided donations for the financial years ended 2005 and 2006, including interest of £124, was received
- *Interest*; amounting to £1,841 from average bank balances of £52,000.

In the year under review, the Trust outlaid £23,532 for:

- *Caregiver allowances and crèche staff salaries*; on average, 20.5 Caregivers received a monthly allowance of between ZAR650 - ZAR 1,000 each (£55 - £80). Total disbursements for Caregivers allowances, bonuses and unemployment insurance contributions amounted to £15,811 in the year under review.
- *Food parcels, vehicle insurance and equipment for the crèche*; amounts outlaid were £1,439.
- *Outlays for the Fund raising event*; payments in advance for drinks and catering for the fundraising event held on 23rd April 2007 of £4,419 were made in the current year.
- *Independent examiner fees, website hosting and bank charges*; amounted to £1,863. All other administration costs of operating The Trust, as well as the services of the Trustees, are provided free of charge.

This left a cash surplus for the year of £1,581.

THE HOLY CROSS CHILDREN'S TRUST

FINANCIAL REVIEW (CONTINUED)

The Net Assets of the Trust at 31 March 2007 amounted to £64,965 and are represented by £55,855 in monies deposited with banks and motor vehicles with a written down book value of £9,110.

The Trustees consider that the cash reserves of £55,855 are adequate and not excessive given the ongoing and long term commitments of The Trust.

Signed on behalf of the Trustees this day of 2007

D H Millard – Chairman of Trustees & Settlor of Trust

B Fisher – Trustee & Secretary

THE HOLY CROSS CHILDREN'S TRUST

BALANCE SHEET

AS AT 31 MARCH 2007

	<u>2007</u>	<u>2006</u>
FIXED ASSETS - TANGIBLE		
Motor Vehicles	5. 9,110	13,748
CURRENT ASSETS		
Cash at bank		
- Nedbank Bank Limited: London	47,405	47,796
- Standard Bank of SA Limited: Durban	6. 8,450	6,478
	<u>55,855</u>	<u>54,274</u>
TOTAL NET ASSETS AT 31 MARCH	<u>64,965</u>	<u>68,022</u>

Represented by:

UNRESTRICTED CHARITY FUNDS	<u>64,965</u>	<u>68,022</u>
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Signed on behalf of the Trustees this day of 2007

D H Millard – Chairman of Trustees & Settlor of Trust

B Fisher – Secretary & Trustee

THE HOLY CROSS CHILDREN'S TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007

1. Donations

The following donations were received in the period:

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		£	£
Private Individuals	a.	4,385	21,923
Church and Charitable Trusts		-	500
Sponsorships	b.	1,214	4,339
		<u>5,599</u>	<u>27,262</u>

a. This consisted of donations from 13 donors (2006: 12).

b. A supporter of The Trust who learned of The Trust's activities via the website, ran the London Marathon and raised £1,214 by way of pledges from friends using the link from the Trust's website to the Justgiving website.

2. Fund Raising Events

2007

The Trust held its second bi-annual fund raising event at the Royal Academy of Arts, London in association with The London Original Print Fair on 23rd April 2007. The event was sponsored by the Towry Law group who underwrote the direct costs for the event.

In the current financial year, advance tickets sales and donations in lieu thereof of £9,330 were received and outlays of £4,419 were made.

The net proceeds from the event, which took place after the year end, were £44,800 and consisted of the following:

	<u>Note</u>	<u>£000's</u>
Sponsorship: Towry Law	a.	13.8
Ticket sales	b.	30.8
Donations	c.	<u>14.7</u>
Gross Receipts	d.	59.3
Less: Catering		10.1
Drinks and other refreshments		3.4
Other Costs		<u>1.0</u>
Total Costs	e.	<u>14.5</u>
Net Receipts		<u>44.8</u>

THE HOLY CROSS CHILDREN'S TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

- a. The Towry Law group paid for all of the catering and drinks and for the printing of brochures distributed at the event.
- b. 880 tickets were sold and approximately 700 people attended the function.
- c. Consists of donations in lieu of tickets for the event, from Print Fair dealers and a special donation of £2,000 from the Towry Law Charitable Trust.
- d. £9,330 was received in the current financial year and £50,000 after the year end.
- e. £4,419 was outlaid in the current financial year and £10,117 after the year end.

2006

The Trust held its first major fund raising event at the Royal Academy of Arts, London in association with The London Original Print Fair on 21st April 2005. The event raised gross proceeds of £53,897 from the sale of tickets, donations in lieu thereof and sponsorships of which £48,897 was received in 2006 and £5,000 in 2005. The total costs of the event were £12,671 of which £12,330 was outlaid in 2006 and £341 in 2005.

The net amount raised at the fundraising event was £41,226.

3. Gift Aid Relief

The Inland Revenue made a payment of £8,343 including interest of £124 to the Trust in respect a claim for repayment of tax under the Gift Aid scheme for the years ended 31st March 2005 and 2006.

4. Caregivers' Allowances

The average number of Caregivers that received allowances for the period was 20.5 (2006: 23.0) and, by the end of the year, there were 23 Caregivers. The allowances ranged from ZAR650 – ZAR1,000 per month (£55 - £80). A merit bonus of ZAR 500 (£40) was paid to 21 Caregivers in December 2006.

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

THE HOLY CROSS CHILDREN'S TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

5. Motor Vehicles

(a) A second hand Toyota Corolla 1.6 litre motor vehicle was acquired by The Trust in March 2004 for £6,624 and registered in the name of the HCH for the use by Sister Priscilla or designated employees of the HCH. The vehicle is being depreciated on a straight line basis at 25% per annum and the accumulated depreciation and net book value at year end was £4,968 and £1,656 respectively (2006: £3,312 and £3,312 respectively).

(b) In September 2005, a new 1.3 ton KIA K2700 truck was acquired for £11,927 for the use by Sister Priscilla or designated employee of the HCH. The vehicle is being depreciated on a straight line basis at 25% per annum and the accumulated depreciation and net book value at year end was £4,473 and £7,454 respectively (2006: £1,491 and £10,436 respectively).

In the event that Sister Priscilla is removed from the HCH against her will, the HCH is obliged, if requested by The Trust, to transfer ownership of the vehicles back to The Trust. The Trust is responsible for the insurance of the vehicles but not for their running costs.

6. Standard Bank of SA Limited – Durban

In order to pay the Caregivers' allowances and other periodic bequests to the HCH, and to minimise bank charges, the Trust maintains a South African Rand denominated bank account with the Non-Residents Durban branch of the Standard Bank of SA Ltd. However, under current 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 to facilitate the aforementioned payments. The Trust is, however, the sole beneficiary of this bank account.

The sterling rates of exchange used for the period were:

- Average : ZAR12.25 (2006: R11.26)
- At 31 March 2007: ZAR13.73 (2006: R10.60)

7. Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

THE HOLY CROSS CHILDREN'S TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007

8. Taxation

As a charity the Trust is exempt from taxation on income and gains falling within Section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

HOLY CROSS CHILDREN'S TRUST

REPORT BY THE INDEPENDENT EXAMINER FOR THE YEAR ENDED 31 MARCH 2007

I report on the accounts of the Trust for the year ended 31 March 2007 which are set out on pages fourteen to eighteen.

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: 2007