

THE HOLY CROSS CHILDREN'S TRUST

(Registered Number 1095593)

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2008

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 31 March 2008 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
- 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.

THE HOLY CROSS CHILDREN'S TRUST

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 for up to 150 children
- the local district clinic
- a training centre for Caregivers
- offices for the HCH
- 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 21 full-time caregivers, including a trainer, and the coverage has increased significantly.

THE HOLY CROSS CHILDREN'S TRUST

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

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 774 child headed households (2007: 690) and 1,948 orphaned children (2007: 1,700) under the care of the HBCP. (A "child headed 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).

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 (498 in 2008)
- 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 blankets (313 distributed in 2008) and other 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 Departments of Home Affairs and of Social Welfare so that they can obtain the grants and during the year 1,453 children were screened for social grants.

Whilst the primary work of the caregivers is focussed on the children, they also tend to the sick and terminally ill in the community, some of whom are "foster parents" of the orphans. The Global Fund (www.theglobalfund.org) has donated a 4WD vehicle and it funds the costs of transporting the Caregivers and medical staff into the community thus indirectly helping to facilitate the level of care that can be provided to the children.

(c) Home Based Care Programme (continued)

In essence, the Caregivers act as "surrogate parents" for these children. During the year, the Caregivers made 5,645 household visits (2007: 5,416) 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, 128 houses (2007: 96) had been erected to house some 379 children (2007: 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.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

(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. Some 120 children are now enrolled at the crèche which is staffed by 5 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 and cleaner.

One of the challenges, however, is to provide transport for the children in this deeply rural area where there is no public transport and most of these young children would otherwise need to walk very long distances to attend the crèche. In response to this, the Trust's 1.3 ton truck was fitted with a demountable cab and is utilised to transport some 90 children every day from 7 sites to the crèche. Another donor, Thembanathi (www.thembanathi.org), has made funds available for the transportation costs such as the wages for a driver.

In addition to the main crèche at the HCH, an additional, rudimentary crèche has been established in the Dengweni region which is far from the HCH. Currently, there are 23 children in this crèche.

The children receive 3 meals a day at the crèches 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 vital 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 limited public 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, one of which is the Dengwini crèche mentioned above. In addition, there is a feeding centre for very young children and from there 38 children are provided with 2 meals a day.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

The Trust pays the wages of a cook at the feeding centre, the resident caregiver at Dengwini crèche and the allowances for those Caregivers in the areas surrounding these satellites.

(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 majority of the patients in the hospice in 2008 were adults and, as the hospice is partly funded by the Global Fund and the Department of Health, the Trust's direct contribution is limited to paying the allowance of a Caregiver that periodically provides back up to the ward nurse.

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 2 years of future commitments. Based on past experience and likely future commitments, the Trust should thus have cash reserves of not less than £60,000.

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 successful fundraising events at the Royal Academy of Arts in April 2005 and 2007 and net proceeds amounted to £41,400 and £44,794 respectively. This has helped to place the Trust in a sound financial position and, for the year under review cash reserves were, on average, £84,700 which represented c. 2 ½ years of likely commitments to the HCH.

The Trust was fortunate in obtaining the sponsorship of Towry Law plc for all of costs of the event in 2007 ensuring that all ticket sales and donations in lieu thereof went to the benefit of the children. A full accounting of the event is set out in the Financial Review and is summarised in note 2 to the financial statements.

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OBJECTIVES, ACTIVITIES, ACHIEVEMENTS & PERFORMANCE (CONTINUED)

(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 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 £7,372 from 13 people (2007: £5,599 from 13 people).

(iii) Sponsorships

Last year, the Trust was nominated as the sponsored charity for a person who ran in the London Marathon by a person who became acquainted with the charity via the website. In the current year, Wellington College nominated the Trust as its designated charity for a jazz concert.

(iv) The Website

The Trust maintains a website (www.holycrosschildrenstrust.org) that provides information on 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 that was held at the Royal Academy in April 2007.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is governed by a Deed of Trust entered in to on 20 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 4 times (2007: 6) 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 4 occasions (2007: 5) to review, in situ, 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:

- **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). The Trust's primary fund raising event is at the Royal Academy in conjunction with the London Original

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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Print Fair that is currently organised by a close friend of the Trustees. The net proceeds of the event have accounted for some 40% of the total funds that the Trust has raised since inception in 2002. As there can be no guarantee that the Trust will be able to hold a function at the Royal Academy in the future, it is the policy of the Trustees to have sufficient cash reserves to fund at least 2 years 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 financial statements 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. However, were Sister Priscilla to be withdrawn from the HCH by her Mother Superior and no acceptable replacement person or arrangement be put in place, it is likely that the Trust would withhold funding and withdraw the assets it owns at the HCH.
- **Risk of bank default:** whilst considered virtually unthinkable in the past, since the year end, the risk of banks defaulting has increased considerably. During the year, sterling funds were held in an interest bearing account in the London branch of Nedbank, a wholly owned subsidiary of Old Mutual, one of South Africa's largest financial services companies and Rand funds with Standard Bank, South Africa's largest bank. Charitable trust funds do not benefit from the same protection as individual depositors in the UK with £50,000 in deposit accounts guaranteed by the UK government and thus the intention is to open additional accounts in the UK to spread the risk. In addition, the balances held in the South African bank account will be limited as there is also no government deposit protection.

THE HOLY CROSS CHILDREN'S TRUST

FINANCIAL REVIEW

In the year ended 31 March 2008, the Trust received £62,044 (2007:£25,113) which arose from the following sources:

- *Donations*; amounting to £7,372 (2007:£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 23 April 2007. Ticket sales, donations in lieu thereof and sponsorship payments from Towry Law plc amounting to £49,999 (2007:£9,330 for advance ticket sales) were received in the year under review. The event was attended by about 650 people and ultimately raised some £44,774 after all expenses. (See note 2 to the Financial Statements)
- *Gift Aid Relief*; an amount of £865 in respect of Gift Aided donations was received
- *Interest*; amounting to £3,808 from average bank balances of £84,650.

In the year under review, the Trust outlaid £29,045 (2007:£23,532) for:

- *Caregiver allowances and crèche staff salaries*; on average, 22.7 caregivers received a monthly allowance of ZAR 858 each (£62).
- *Vehicle insurance and food parcels*: £730.
- *Outlays for the Fund raising event*; payments for catering, drinks and brochures (all sponsored by Towry Law plc) plus other costs amounting to £10,117.
- *Independent examiner's fees, website hosting and bank charges*; amounted to £1,260. All other administration costs of operating The Trust, as well as the services of the Trustees, are provided free of charge.

This left a surplus for the year of £32,999 (2007:£1,581).

THE HOLY CROSS CHILDREN'S TRUST

FINANCIAL REVIEW (CONTINUED)

The Net Assets of the Trust at 31 March 2008 amounted to £93,326 and are represented by £88,854 in monies deposited with banks and motor vehicles with a written down book value of £4,472.

The Trustees consider that the cash reserves of £88,854 are adequate and not excessive given the ongoing and long term commitments of The Trust.

Signed on behalf of the Trustees this day of 2008

D H Millard – Chairman of Trustees & Settlor of Trust

B Fisher – Trustee & Secretary

THE HOLY CROSS CHILDREN'S TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

		General Unrestricted	
		- Income Funds -	
		<u>Notes</u>	<u>2008</u>
			<u>2007</u>
		<u>£</u>	<u>£</u>
<u>INCOMING RESOURCES</u>			
Voluntary Income			
- Donations	1.	7,372	5,599
Activities for generating funds			
- Fund raising event: Royal Academy	2.	49,999	9,330
Other incoming resources			
- Gift Aid Relief	3.	865	8,343
- Interest Received		3,808	1,841
TOTAL INCOMING RESOURCES		<u>£62,044</u>	<u>£25,113</u>
<u>RESOURCES EXPENDED</u>			
Charitable Activities			
- Caregivers and crèche staff	4.	16,928	15,811
- Food parcels, crèche equipment		135	686
- Vehicle insurance		605	753
		<u>17,668</u>	<u>17,250</u>
Costs of generating funds			
- Donations: website		340	521
- Fund raising event: Royal Academy	2.	10,117	4,419
- Bank charges		162	608
Governance Costs			
- Independent Examiner's Fees		758	734
TOTAL RESOURCES EXPENDED		<u>29,045</u>	<u>23,532</u>
NET CASH SURPLUS FOR THE PERIOD		32,999	1,581
Total Cash Funds brought forward		<u>55,855</u>	<u>54,274</u>
<u>TOTAL CASH FUNDS</u>			
<u>CARRIED FORWARD</u>		<u>88,854</u>	<u>55,855</u>

THE HOLY CROSS CHILDREN'S TRUST

BALANCE SHEET

AS AT 31 MARCH 2008

	<u>2008</u>	<u>2007</u>
FIXED ASSETS - TANGIBLE		
Motor Vehicles	5. 4,472	9,110
CURRENT ASSETS		
Cash at bank		
- Nedbank Bank Limited: London	77,914	47,405
- Standard Bank of SA Limited: Durban	10,940	8,450
	<u>88,854</u>	<u>55,855</u>
TOTAL NET ASSETS AT 31 MARCH	<u>93,326</u>	<u>64,965</u>

Represented by:

UNRESTRICTED CHARITY FUNDS	<u>93,326</u>	<u>64,965</u>
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Signed on behalf of the Trustees this day of 2008

D H Millard – Chairman of Trustees & Settlor of Trust

B Fisher – Secretary & Trustee

THE HOLY CROSS CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. Donations

The following donations were received in the period:

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		<u>£</u>	<u>£</u>
Private Individuals	a.	6,337	4,385
Sponsorships	b.	735	1,214
		<u>7,372</u>	<u>5,599</u>

- a. Consists of donations from 13 donors (2007: 13).
- b. 2008: Wellington College held a jazz concert and donated the proceeds of a collection at the concert to the Trust.
 2007: A supporter of The Trust who learned of the Trust's activities via its 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

- (i) 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 23 April 2007. The event was sponsored by the Towry Law Group who funded the direct costs of the event.

The net proceeds from the event were £44,744 (2005 event: £40,400) and consisted of the following:

	<u>Note</u>	<u>£'s</u>
Sponsorship: Towry Law	a.	13,775
Ticket sales	b.	30,801
Donations	c.	<u>14,754</u>
Gross Receipts	d.	<u>59,330</u>
Less: Catering		10,087
Drinks and other refreshments		3,438
Other Costs		<u>1,011</u>
Total Costs	e.	<u>14,536</u>
Net Receipts		<u>44,794</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

- a. The Towry Law group paid £10,087 directly to the company responsible for all of the catering, reimbursed the Trust £3,438 for the cost of the drinks and provided brochures valued at £250 that were distributed at the event.
- b. 880 tickets were sold and approximately 650 people attended the function.
- c. Consists of donations in lieu of tickets for the event and a special donation of £2,000 from the Towry Law Charitable Trust.
- d. £9,330 was received in the preceding financial year and £49,999 in the current year.
- e. Consists of costs to print tickets, T-shirts for volunteers, collection commissions for on-line ticket sales and printing of the brochures.
- f. £4,419 was outlaid in the preceding financial year and £10,117 in the current year.

3. Gift Aid Relief

H M Revenue and Customs made a payment of £865 (2007:£8,343) in respect the repayment of tax under the Gift Aid scheme.

4. Caregivers' Allowances

The average number of caregivers and crèche staff that received allowances for the period was 22.7 (2007: 20.5) and, at 31 March 2008 there were 23 staff. The average allowance, including merit bonus, was ZAR858 (£62) per month (2007: ZAR795 [£65]).

The caregivers' and other staff 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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

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 £6,624 and £nil respectively (2007: £4,968 and £1,656 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 £7,455 and £4,472 respectively (2007: £4,473 and £7,454 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 directly pay the Caregivers' and other staff's allowances and other periodic, specific 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 interest bearing 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 : ZAR14.15 (2007: R12.25)
- At 31 March 2008: ZAR14.44
(2007: R13.73)

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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

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.

9. Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arrive at the net surplus for the year.

HOLY CROSS CHILDREN'S TRUST

REPORT BY THE INDEPENDENT EXAMINER FOR THE YEAR ENDED 31 MARCH 2008

I report on the financial statements of the Trust for the year ended 31 March 2008 which are set out on two to twenty.

Respective Responsibilities of Trustees and Examiner

As the charity's trustees you are responsible for the preparation of the financial statements; 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 financial statements 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

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 financial statements 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: 2008