

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2014

Dannhauser
INCORPORATED

**CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014**

DANNHAUSER INCORPORATED

**GEOKTROOIEERDE REKENMEESTERS EN OUDITEURE (SA)
CHARTERED ACCOUNTANTS AND AUDITORS (SA)**

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014

| | | |
|--------------------------|---|--|
| BOARD OF TRUSTEES | : | G Fatseas-Mazarakis P D Grealy C M V Nel P Cloete K Govender |
| PBO REFERENCE NO: | : | 930028535 |
| REGISTRATION NO: | : | IT 3593/2008 |
| ACCOUNTANTS | : | VILJOEN NEL CAs Randburg |
| AUDITORS | : | DANNHAUSER INCORPORATED Randburg |
| BANKERS | : | ABSA Bank Northcliff |

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APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 5 to 11 are approved and signed by the board of trustees on the following date: 17 JUNE 2014

REPORT OF THE INDEPENDENT AUDITORS

To the board of trustees of

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST : IT 3593/2008

We have audited the accompanying financial statements of Carte Blanche: "Making a difference" Trust, which comprise the report of the trustees, the statement of financial position as at February 28, 2014, the statement of profit or loss and other comprehensive income and the cash flow statement of the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustees responsibility for the financial statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International financial reporting standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance of whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the annual financial statements, whether due to fraud or error. In making the risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the annual financial statements.

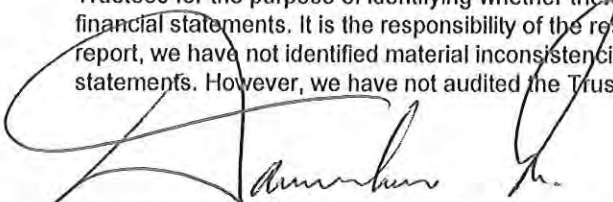
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the trust as of February 28, 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International financial reporting standards.

Other Reports

As part of our audit of the financial statements for the year ended 28 February 2014, we have read the Report of the Trustees for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. It is the responsibility of the respective trustees to prepare the Trustees report. Based on reading the report, we have not identified material inconsistencies between the Report of the Trustees and the audited financial statements. However, we have not audited the Trustees report and accordingly do not express an opinion on the report.


DANNHAUSER INCORPORATED
Registered Accountants and Auditors
Chartered Accountants (SA)
Randburg

17 June 2014
Date

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
REPORT OF THE TRUSTEES
28 FEBRUARY 2014

The trustees have the pleasure in submitting their report for the financial year ended 28 February 2014.

STATEMENT OF RESPONSIBILITY

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officers are responsible to determine that the financial statements are in agreement with the accounting records.

The trustees are also responsible for the trusts system of internal financial control. These are designated to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue operation for the foreseeable future.

NATURE OF THE TRUSTS ACTIVITIES

The trust derives its funds from donations and utilises these funds to provide means for public training hospitals and distributions to charities namely the Johannesburg Child Welfare, the Johannesburg Parent and Child Counselling Centre, the Hartbees Poort Child and Counselling Centre and Thousand Hill Community Centre

RESULTS FOR THE YEAR

Full details are set out in the financial statements attached hereto and the trustees have no further comment.

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 are satisfied 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.

EVENTS AFTER THE REPORTING PERIOD

The Trustees are not aware of any facts or circumstances which have occurred since the end of the Trust's financial year and the date of this report, which might influence an assessment of the state of affairs of the Trust.

Trustees

The Trustees of the Trust : during the period under review up to the date of the Auditor's report.

Mr G Fatseas-Mazarakis, Mr P D Grealy and Mr C M V Nel. Mr T C J Erasmus - resigned on 1 June 2013 and Ms Koo Govender - resigned on 30 September 2013.

Mr P Cloete was appointed on 1 June 2013 and Ms Kershnee Govender was appointed on 9 May 2014.

AUDITORS

At the next Trustees meeting, the Trustees will be requested to appoint Dannhauser Incorporated as the independent external auditors of the Trust for the 2015 financial year.

DATE OF AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Trustees on 17 June 2014. No authority was given to anyone to amend the financial statements after the date of issue.

ACKNOWLEDGEMENTS

Thanks and appreciation is extended to all our donors, service providers and the members of the public for your continued support towards the Carte Blanche: "Making A Difference" Trust.

APPROVAL

The above report and the annual financial statements set out on pages 5 to 11 were approved by the trustees.


P D GREALY


G.FATSEAS-MAZARAKIS


C M V NEL


P CLOETE


K GOVENDER

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
STATEMENT OF FINANCIAL POSITION
28 FEBRUARY 2014

| | <u>Notes</u> | <u>2014</u> R | <u>2013</u> R |
|-------------------------------------|--------------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Trade and other receivables | 2 | 14,604,711 | 10,891,395 |
| Cash and cash equivalents | 3 | 250,000 | - |
| | | 14,354,711 | 10,891,395 |
| TOTAL ASSETS | | <u>14,604,711</u> | <u>10,891,395</u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Trust capital | | 3,252,580 | 3,337,830 |
| Retained income | | 100 | 100 |
| | | 3,252,480 | 3,337,730 |
| Current liabilities | | | |
| Trade and other payables | 4 | 11,352,130 | 7,553,566 |
| Distributions payable | 6 | 248,462 | 214,359 |
| | | 11,103,668 | 7,339,207 |
| TOTAL EQUITY AND LIABILITIES | | <u>14,604,711</u> | <u>10,891,395</u> |

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
28 FEBRUARY 2014

| | <u>Notes</u> | <u>2014</u> R | <u>2013</u> R |
|--|--------------|-------------------------|-------------------------|
| INCOME | | | |
| Donations received | 5 | 11,553,782 | 8,704,989 |
| OTHER INCOME | | | |
| Interest received | | 653,247 | 659,960 |
| SUBTOTAL | | <u>12,207,030</u> | <u>9,364,949</u> |
| ADMINISTRATIVE EXPENSES | | <u>(1,026,706)</u> | <u>(1,438,594)</u> |
| Admin and accounting fees | | 60,000 | 60,000 |
| Auditors remuneration | | 44,880 | 42,000 |
| Bad debts | | - | 21,000 |
| Bank charges | | 1,776 | 1,270 |
| Car hire expenses | | - | - |
| Fuel and oil | | 4,936 | - |
| Independent review | | - | 304,369 |
| Legal services | | 292,823 | 482,455 |
| Management procurement and fundraising | | 566,874 | 527,500 |
| Printing and stationery | | 8,317 | - |
| Refreshments | | - | - |
| Travel and accommodation | | 47,100 | - |
| SUBTOTAL | | <u>11,180,323</u> | <u>7,926,355</u> |
| DISTRIBUTIONS | | <u>(11,265,573)</u> | <u>(7,975,443)</u> |
| Distributions to hospitals | 6.2 | 2,965,020 | 9,307,914 |
| Distributions to charities | 6.2 | 4,531,478 | 4,026,623 |
| Reduction in distributions payable at year end | | 3,769,075 | (5,359,094) |
| SURPLUS/(SHORTFALL) FOR THE YEAR | | <u>(85,250)</u> | <u>(49,088)</u> |
| RETAINED SURPLUS AT THE BEGINNING OF THE YEAR | | <u>3,337,730</u> | <u>3,386,818</u> |
| RETAINED SURPLUS AT THE END OF THE YEAR | | <u><u>3,252,480</u></u> | <u><u>3,337,730</u></u> |

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
CASH FLOW STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2014

| | <u>Notes</u> | <u>2014</u> <u>R</u> | <u>2013</u> <u>R</u> |
|---|--------------|-------------------------|-------------------------|
| Cash flow from operating activities | | | |
| Cash receipts from donors | | 11,303,782 | 8,725,989 |
| Cash paid to supplier's and service providers | | (12,258,177) | (9,357,040) |
| Cash generated by operations | 1 | (954,394) | (631,052) |
| Interest received | | 653,247 | 659,960 |
| Net cash flow from operating activities | | (301,147) | 28,909 |
| Cash flow from financing activities | | | |
| Increase/(decrease) in provisions for distributions | | 3,764,461 | (5,416,372) |
| Net cash flow from financing activities | | 3,764,461 | (5,416,372) |
| Net movement in cash and cash equivalents | | 3,463,314 | (5,387,463) |
| Cash and cash equivalents at the beginning of the year | | 10,891,395 | 16,278,858 |
| Cash and cash equivalents at the end of the year | 2 | 14,354,711 | 10,891,395 |

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of net profit for the year to cash generated by operations

| | | |
|--|------------------|------------------|
| Net Surplus /(Net loss) for the year | (85,250) | (49,088) |
| Adjustments for: | | |
| Interest received | (653,247) | (659,960) |
| Operating profit before working capital changes | (738,497) | (709,048) |
| Working capital changes | (215,898) | 77,996 |
| Increase/(Decrease) in trade and other payables | 34,102 | 56,996 |
| (Increase)/Decrease in trade and other receivables | (250,000) | 21,000 |
| Cash generated by operations | (954,394) | (631,052) |

2. Cash and cash equivalents

Cash and cash equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

| | | |
|----------------------------------|-------------------|-------------------|
| Cash and cash equivalents | 14,354,711 | 10,891,395 |
|----------------------------------|-------------------|-------------------|

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014

1. ACCOUNTING POLICIES

The following are the principal accounting policies of the trust which are consistent in all material respects.

1.1 Basis of presentation

The financial statements of the trust are presented on the historic cost basis and are consistent with previous years.

1.2 Revenue

Cash collections from donations, rent received and sundry income are brought to account on a cash received basis. Donations contractually committed before the year-end are accrued where receipts of the funds are assured

Interest is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period of maturity.

1.3 Cash flows

For the purpose of the cash flow statement, cash includes cash on hand, deposits held on call with banks and investments in money market instruments.

2. TRADE AND OTHER RECEIVABLES

Choice Diamonds CC

| 2014 | 2013 |
|------|------|
| R | R |

| | |
|---------|---|
| 250,000 | - |
|---------|---|

3. CASH AND CASH EQUIVALENTS

ABSA - 35day (32 day -2013) call account
ABSA - Daily call account

| | |
|------------|------------|
| 11,706,633 | 10,500,000 |
| 2,648,078 | 391,395 |
| 14,354,711 | 10,891,395 |

4. TRADE AND OTHER PAYABLES

Admin and accounting fees
Auditors remuneration
Control account - Combined Artistic Productions CC

| | |
|---------|---------|
| 7,516 | 66,242 |
| 44,880 | 42,000 |
| 196,066 | 106,117 |
| 248,462 | 214,359 |

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014

| 5. DONATIONS RECEIVED | 2014 | 2013 |
|--|------------------|------------------|
| | R | R |
| 5.1 IN RESPECT OF HOSPITALS | | |
| AAC Trust | - | 1,000,000 |
| Afrisam Pty Ltd | 200,000 | 200,000 |
| Blue Label Telecoms | 70,000 | 180,000 |
| Choice diamonds | 500,000 | 110,000 |
| Coco Cola Fortune | - | 300,000 |
| Coal Procurement SA | - | 250,000 |
| Corobrik - Sponsorships | - | 34,200 |
| Digicall - various | 79,700 | - |
| Donation WFT | 10,000 | 15,000 |
| Electronic network | 2,000,000 | - |
| Mount Everest project (Lee den Hond) - various | 786,332 | 33,030 |
| Exxarro Reso | - | 200,000 |
| Freddy Hirsch Group | 100,000 | 100,000 |
| Graphic solution | - | 10,000 |
| Holiday Inn - Sandton | 43,464 | - |
| Hollard | 1,000,000 | - |
| Jetfighter Shootout | 30,000 | - |
| KFC Social Responsibility | - | 397,500 |
| La Bourgogne Farm | - | 250,000 |
| Metropolitan Health | 5,000 | - |
| M & R Child welfare | 20,000 | - |
| Nestle SA (Pty) Ltd | 500,000 | - |
| Passage to Africa CC | - | 20,000 |
| Petrosa | - | 500,000 |
| Rectron rec | 10,000 | - |
| BHP Billiton / Sama | 450,000 | - |
| Sasol Social Community | 500,000 | - |
| S Sergel | 9,500 | 12,750 |
| Shoprite Checkers | - | 25,000 |
| Specsavers/KFML | 250,000 | - |
| Sundry Deposits | 38,950 | 32,190 |
| Tigerbrands | - | 230,000 |
| Transnet | - | 1,000,000 |
| Wonderboom Panelbeaters | - | 10,000 |
| SUBTOTAL | 6,602,946 | 4,909,670 |
| 5.2 IN RESPECT OF CHARITIES | | |
| Hospi Track Bedscreen Rails CC | - | 85,500 |
| KFC Social Responsibility - 1000 Hills Community | 4,335,400 | 2,500,000 |
| KFC Social Trust - Claremont Camp | 318,000 | - |
| Poly Sales Africa (Pty) Ltd | - | 365,717 |
| SUBTOTAL | 4,653,400 | 2,951,217 |
| 5.3 IN RESPECT OF ADMINISTRATION | | |
| Webber Wentzel | 292,823 | 482,455 |
| Deloitte & Touche | - | 304,369 |
| SUBTOTAL | 292,823 | 786,824 |

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014

| | 2014 R | 2013 R |
|--|--------------------------|-------------------------|
| 5.4 IN RESPECT OF ALLOCATION OF INTEREST SURPLUSES | | |
| - Johannesburg Parent and Child Counselling Centre | - | 8,500 |
| - Kimberley Hospital Complex | 4,613 | - |
| - Steve Biko Academic Hospital | - | 48,778 |
| SUBTOTAL | <u>4,613</u> | <u>57,278</u> |
| TOTAL DONATIONS RECEIVED | <u><u>11,553,782</u></u> | <u><u>8,704,989</u></u> |
| 6. DISTRIBUTIONS PAYABLE | | |
| 6.1 DONATIONS RECEIVED | | |
| Donations - Hospitals | 5,815,227 | 4,956,695 |
| - Charlotte Maxeke Johannesburg Academic Hospital | - | 230,000 |
| - Frere Hospital | 5,360,614 | 4,079,700 |
| - Kimberly Hospital complex | 454,613 | - |
| - King Edward VIII Hospital | - | 598,217 |
| - Steve Biko Academic Hospital | - | 48,778 |
| Donations - Charities | 5,445,732 | 2,961,470 |
| - Claremont Camp | 318,000 | - |
| - HPCCC Schaumburg | 786,332 | 48,030 |
| - Johannesburg Child Welfare feeding grant | 1,273,000 | 1,600,000 |
| - Johannesburg Parent and Child Counselling Centre General | - | 8,500 |
| - Johannesburg Parent and Child Counselling Centre Feeding grant | 1,377,000 | 900,000 |
| - Thousand Hills Community Helpers | 1,691,400 | 404,940 |
| Donations - Administration | 292,823 | 787,279 |
| - Deloitte & Touche | - | 304,824 |
| - Webber Wentzel | 292,823 | 482,455 |
| TOTAL DONATIONS RECEIVED | <u><u>11,553,783</u></u> | <u><u>8,705,444</u></u> |
| 6.2 DONATIONS DISTRIBUTED | | |
| Distributions paid to hospitals | (2,965,020) | (9,307,914) |
| - Charlotte Maxeke Johannesburg Academic Hospital | - | (230,000) |
| - Frere Hospital | (1,686,626) | - |
| - Kalafong Hospital | (823,781) | - |
| - Kimberly Hospital Complex | (454,613) | - |
| - King Edward VIII Hospital | - | (9,029,136) |
| - Steve Biko Academic Hospital | - | (48,778) |
| Distributions paid to charities | (4,531,478) | (4,026,623) |
| - Claremont Camp | (318,000) | (300,000) |
| - Johannesburg Child Welfare General | - | (14,000) |
| - Johannesburg Child Welfare feeding grant | (1,687,996) | (1,466,663) |
| - Johannesburg Parent and Child Counselling Centre General | - | (8,500) |
| - Johannesburg Parent and Child Counselling Centre Feeding Grant | (832,582) | (564,995) |
| - John Deere Education Fund - Wits University | - | (82,465) |
| - Thousand Hill Community Feeding grant | (1,692,900) | (1,590,000) |

CARTE BLANCHE: "MAKING A DIFFERENCE" TRUST
IT 3593/2008
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2014

| | 2014 R | 2013 R |
|--|--------------------|---------------------|
| Distributions - Administration | (292,823) | (786,824) |
| - Independent review - Deloitte & Touche | - | (304,369) |
| - Legal services - Weber Wentzel | (292,823) | (482,455) |
| TOTAL DONATIONS DISTRIBUTED | (7,789,321) | (14,121,361) |
| 6.3 DONATIONS PAYABLE | | |
| Donations received | 11,553,782 | 8,704,989 |
| Donations distributed | (7,789,321) | (14,121,361) |
| Distributions payable previous year | 7,339,208 | 12,755,580 |
| TOTAL DISTRIBUTIONS PAYABLE | 11,103,669 | 7,339,208 |

7. TAXATION

No provision for taxation has been made, as the trust is exempt from Income tax in terms of Section 10(1)(cN) of the Income Tax Act.