

**CHOC CHILDHOOD CANCER FOUNDATION
SOUTH AFRICA**



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2007

**CHOC CHILDHOOD CANCER FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

The reports and statements set out below comprise the financial statements presented to the members of the Executive Committee of CHOC Childhood Cancer Foundation South Africa.

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Approval of the consolidated annual financial statements

The Committee is responsible for adopting sound accounting policies and establishing and maintaining control to help ensure the preparation of the financial statements in accordance with generally accepted accounting practice and the prevention and detection of fraud.

The consolidated financial statements have been prepared on the going concern basis, since the Committee have every reason to believe that the Foundation has adequate resources in place to continue operating in the foreseeable future.

The consolidated annual financial statements and the supplementary financial information set out on pages 8 to 16 are the responsibility of, and have been approved by the Committee and are signed on its behalf by:

J R Cutland
National Chair
1 December 2007

K Naidoo
National Treasurer
1 December 2007

It is with pleasure that I report on the main activities of CHOC during the period July 2006 to June 2007.

Service delivery

Our primary purpose and focus is on the support for the children with cancer and life threatening blood disorders, and their families, and everything that we do has this as its ultimate objective. So I start with the main achievements in this field.

CHOC Houses

Perhaps the most visible thing that we do is providing accommodation for children and care givers while the child is undergoing treatment. We were very fortunate to have had the ongoing support from Danone Clover, and the third house sponsored by them was opened in Plumstead, Cape Town in 2006, with a fourth one in Pretoria in September this year. This adds to the existing houses, opened in Bloemfontein (2004) and Diepkloof, Soweto (2005). In addition, we have the original CHOC House in Saxonwold, and the facilities at Tygerberg Hospital (Cape Town) and Albert Luthuli Hospital in Durban.

There is an ongoing heavy demand for the facilities provided by the Houses; they are highly appreciated by the families, and most of them run near to capacity much of the time.

An adjunct to the houses is the requirement for transportation to the hospitals, and we are grateful for the vehicles provided by DisChem and debis.

Support for families

The support for the families, to help them to cope with all of the demands that the diagnosis places on them, continues to be a major focus.

We have continued to develop and expand the volunteer programme at the various treatment centres, and several training courses have been run in different centres. We are very appreciative of the efforts of Alta Bence (our Social worker) and all of the volunteers.

We have continued with the Social Auxiliary Worker programme in Johannesburg, to supplement the efforts in the area. Ida Kgoroadira, at Bara, has completed her training during the year, and Virginia Mnyandu is in the middle of her course.

During the year, the CHOC Guide for Parents eventually was published, after a long gestation period, to provide in one book a comprehensive set of the information that parents need following diagnosis. The reaction to this manual from parents has been very positive. Our thanks to Leandra Visser, and also to all of the other people who contributed to this Guide. The provision of funds for transport, to ensure that children are not precluded from coming in for treatment due to financial considerations, continues to be a vital part of our work, and a significant part of our expenditure goes into this area.

Support for Treatment Centres

There is an ongoing requirement for additional equipment and facilities for the treatment centres.

A major upgrade of the ward at the Frere Hospital in East London was done, together with the provision of medical equipment; this was largely achieved thanks to the sponsorship from Platinum Life.

Additional IVACS and drip stands have also been provided for several of the treatment centres. The in-patient ward at Johannesburg Hospital was completely redecorated.

Support for Medical staff

We have sponsored doctors and nurses to attend conferences in the UK, USA and Europe, to enhance their knowledge in the illnesses.

We have continued to provide some funding to SACCSG for the Children's Cancer Registry, including computer equipment and some salaries of part time staff.

Advocacy, awareness and communication

We have endeavoured to raise the visibility of the issues related to childhood cancer, and in particular have held discussions with the Department of Health with a view to getting awareness of the Warning Signs embedded into the whole medical world.

Interviews involving parents, doctors and staff have been broadcast on radio and TV, and several articles have appeared in national magazines and newspapers.

We published a national newsletter, and most of the divisions also publish local newsletters. The CHOC logo was modernised, and we are in the process of redesigning our brochure and other material.

Organisational Developments

National Director

We are unfortunate to have had two National Directors resign during the year, both for unforeseen personal reasons. We thank them both for the significant contributions they made in assisting CHOC to become an even more professionally run organisation. After advertising internally, as well as by word-of-mouth, the Executive Committee decided, on the recommendation of the selection panel, to appoint two internal applicants to share the position for a 6-month trial period.

Policies and procedures

We have put in place various policies and procedures, to ensure that the organisation has a well defined approach to how it conducts its business.

Strategic Planning Session

We had a strategic planning session in March, facilitated by Clem Sunter, which was very valuable in assisting us to identify our focus areas for the coming years.

IT Infrastructure

We have put a significant effort into improving the IT infrastructure, including development of the GoldMine database, more reliable communication network, and a redevelopment of the website.

Funding and Fund raising

CHOC does not receive funding from Government and relies entirely on public support to achieve its aims. Our special thanks to the many companies, organisations and individuals who have been so generous with their support for us over the past year. They are listed at the end of the financial statements. In particular we would like to acknowledge: Danone Clover; debis Fleet Management; DisChem and Platinum Life for the tremendous ongoing support that they have given us over the recent years.

Appreciation

I would like to record our tremendous appreciation to the doctors and nursing staff in all of the childhood cancer units around the country. We acknowledge their ongoing dedication and hard work, sometimes in very difficult circumstances.

I would also like to express our thanks to the people who have served as National Directors, and also to the staff and committee members, who have put in many hours of hard work over the year. And we also acknowledge the dedication of the many volunteers who have assisted in many ways with the care of the children, and in running the organisation.

Without all of you, we would not be able to do the many things that we do to support the children and their families.

Julian Cutland
National Chair
November 2007

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CHOC CHILDHOOD CANCER FOUNDATION

Scope

We have performed the procedures agreed with you and described below with respect to the consolidated accounts of CHOC Childhood Cancer Foundation as at 30 June 2007, set forth in the attached financial statements which have been initialled for identification purposes. Our engagement was undertaken in accordance with the statement of South African Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures to be performed is that of the management of CHOC Childhood Cancer Foundation. Our procedures were performed solely to assist you in evaluating the accuracy of the consolidated financial statements.

The procedures are summarised as follows:

1. We obtained a schedule of financial results as at 30 June 2007 of the entities included in the consolidation. These entities are:
 - CHOC Childhood Cancer Foundation South Africa
 - CHOC Childhood Cancer Foundation South Africa - Durban
 - CHOC Childhood Cancer Foundation South Africa - Eastern Cape
 - CHOC Childhood Cancer Foundation South Africa - Free State
 - CHOC Childhood Cancer Foundation South Africa - Johannesburg
 - CHOC Childhood Cancer Foundation South Africa - Pietermaritzburg
 - CHOC Childhood Cancer Foundation South Africa - Pretoria
 - CHOC Childhood Cancer Foundation South Africa - Western Cape
 - CHOC House (Association incorporated under Section 21)
2. We inspected the schedule for accuracy;
3. We compared the results used in the consolidation schedule to the respective entities' financial statements which we received from the management of CHOC; and
4. We compared the total consolidated amounts per the schedule to the consolidated financial statements prepared by the management of CHOC.

Findings

We obtained audited financial statements for all the entities mentioned above and found that the consolidation schedule had been accurately compiled from these financial statements. We further found that the consolidation schedule itself was accurate and that the final consolidated financial statements had been accurately compiled. The audit reports of the divisions, included in the consolidated financial statements, included only the standard qualification relating to charitable organisations - no further qualifications were made.

Because the above procedures do not constitute an audit performed in accordance with statements of South African Auditing Standards, we do not express any assurance on the results used or included in the consolidation.

Had we performed additional procedures or had we performed an audit of the consolidated financial statements in accordance with statements of South African Auditing Standards other matters may have come to our attention that would have been reported to you.

Our report is solely for the purpose set out in the first paragraph of this report and for your information, and is not to be distributed to any other parties. This report relates only to the consolidation specified above, and does not extend to the financial statements of the CHOC Group, taken as a whole.

Johannesburg
1 December 2007

Duncan T Eriksson
Registered Chartered Accountants and Auditors
Chartered Accountant (S.A.)

The Committee has pleasure in presenting their report which forms part of the annual financial statements of CHOC Childhood Cancer Foundation for the year ended 30 June 2007.

Nature of business

The Foundation is primarily engaged in providing assistance and facilities for the benefit of children, and their immediate families, who are being treated for cancer, leukaemia and related blood disorders at the specialised clinics in South Africa.

Financial results

The financial results for the year under review are reflected in the annual financial statements set out on pages 8 to 16.

Events occurring after balance sheet date

The Committee is not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the annual financial statements, that would affect significantly the operations of the Foundation or the results of these operations.

Current Executive Committee and administration

J R Cutland (National Chair)
M Duncan (National Vice Chair)
K Naidoo (National Treasurer)
K Dollman (joint National Director)
F Peenz (joint National Director)
F Botes
S Cutland
A Dimant
G Kemp
M Kleynhans
A Morgan
J Poole, Dr
S Slotow
R Uys, Dr
O van der Merwe

Registered office

16 Eastwold Way
Saxonwold 2196

Principal place of business

16 Eastwold Way
Saxonwold 2196

Place of registration & registration number

South Africa : 001-338-NPO

**CHOC CHILDHOOD CANCER FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
BALANCE SHEET**

	Note	2007 R	2006 R
ASSETS			
Non-Current Assets		5,638,695	3,848,695
Fixed Assets	2	5,638,694	3,848,694
CowParade Rights		1	1
Current Assets		12,225,156	8,423,056
Associates	3	-	1,890,937
Accounts receivable		166,802	103,316
Cash and cash equivalents		12,058,354	6,428,803
Total assets		17,863,851	12,271,751
FUNDS AND LIABILITIES			
FUNDS			
Accumulated Funds	4	17,685,834	12,143,614
Current Liabilities		178,017	128,137
Accounts payable		178,017	128,137
Total funds and liabilities		17,863,851	12,271,751

CHOC CHILDHOOD CANCER FOUNDATION
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FOR THE YEAR ENDED 30 JUNE 2007
INCOME STATEMENT

	Note	2007 R	2006 R
GROSS REVENUE			
Donations received		12,871,004	7,703,736
Memorial funds		838,875	35,223
Interest received		538,717	299,004
Proceeds on disposal of fixed assets		191,044	0
Sundry income		71,024	999
Total Gross Revenue (refer to page 12)		14,510,664	8,038,962
Total Expenses (refer to pages 10-11)		7,077,504	6,785,766
Surplus		<u>7,433,160</u>	<u>1,253,196</u>

**CHOC CHILDHOOD CANCER FOUNDATION
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INCOME STATEMENT**

EXPENDITURE	2007 R	2006 R
Parent Child and Family Support		
Communications	32,329	-
Support Groups	348,597	741,705
Motor vehicles	-	487,662
Transport	296,179	202,470
Parents manual	23,152	-
Staff Costs	219,528	98,598
Support for Camp Quality	-	50,000
	919,785	1,580,435
Ward Comforts and Facilities		
Ward comforts	417,621	558,987
Support staff in wards	537,404	210,984
	955,025	769,971
Medical / Hospital Equipment		
Medical equipment	209,577	153,312
	209,577	153,312
CHOC Houses / Lodges		
Furniture and fittings	1,999	-
Running costs	885,545	428,447
Maintenance and repairs	152,128	422,250
Staff costs	607,219	508,434
	1,646,891	1,359,131
Support for Medical Staff		
Staff costs	236,156	121,987
Training	20,741	-
Conference support	81,659	142,341
	338,556	264,328
Programme expenditure		
Communication & PR	1,067,494	624,375
Liaison and meetings	203,819	165,389
ICCCPO membership and conference support	81,460	163,965
Awareness campaign (Warning Signs)	54,259	55,805
Resource Centre Project	2,810	49,257
Parent Enskilling Project	3,600	-
Volunteer Development programme	25,575	-
Divisional Development & Support	180,268	21,300
	1,619,285	1,080,091

**CHOC CHILDHOOD CANCER FOUNDATION
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INCOME STATEMENT**

Administration

Auditors remuneration & Professional fees	50,266	50,646
Office costs	294,111	399,672
IT Infrastructure	80,965	368,180
Rental costs	6,600	16,892
Staff costs	956,443	743,108
	1,388,385	1,578,498
Total expenses	7,077,504	6,785,766

CHOC CHILDHOOD CANCER FOUNDATION
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INCOME STATEMENT

INCOME PER DIVISION	2007 R	2006 R
SA Division (National)	9,469,270	3,065,006
Durban	638,861	546,344
Eastern Cape	82,990	50,683
Free State	269,793	139,347
Johannesburg	3,369,191	1,852,120
Pietermaritzburg	146,703	89,891
Pretoria	115,943	128,731
Western Cape	417,913	430,867
CHOC House	-	1,735,973
TOTAL GROSS INCOME	<u>14,510,664</u>	<u>8,038,962</u>

**CHOC CHILDHOOD CANCER FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

1 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, incorporating the following accounting policies, which are consistent with those of the previous year and conform in all material respects with generally accepted accounting practice.

1.1 Revenue recognition

Revenue is generally recognised when it is probable that economic benefits will flow to the Foundation and the amount of the revenue and costs in respect of the transaction can be measured.

1.2 Fixed Assets

Freehold land and buildings are reflected at cost.

Depreciation is not provided on freehold land and buildings as they are considered to be of an investment nature.

Tangible movable assets are written off in the year in which the expenditure occurred for consolidation purposes.

2 Fixed Assets

	Carrying value at beginning of the year	Additions	Depreciation	Carrying value at end of the year
Land and buildings	3,848,694	1,790,000	-	5,638,694
	<u>3,848,694</u>	<u>1,790,000</u>	<u>0</u>	<u>5,638,694</u>

	2007 R	2006 R
Land and buildings comprise:		
19 Stegmann Street, Universitas, Bloemfontein	872,016	872,016
Land and buildings - at cost	800,000	800,000
Improvements at cost - 2006	72,016	72,016
Erf 456, 16 Eastwold Way, Saxonwold Township	2,158,362	2,158,362
Land and buildings - at cost	1,650,000	1,650,000
Improvements at cost		
2001	210,000	210,000
2002	99,356	99,356
2003	126,182	126,182
2004	13,923	13,923
2006	6,000	6,000
2007	52,901	52,901

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued**

	2007 R	2006 R
Erf 1568, Soweto	818,316	818,316
Land and buildings - at cost	500,000	500,000
Improvements at 2007	318,316	318,316
Erf 71878, Plumstead, Cape Town	1,790,000	-
Land and buildings - at cost	1,790,000	-
	5,638,694	3,848,694
3 Associates		
CCA Operations (Pty) Ltd	-	2,370,937
CCA Choc Endowment	-	(480,000)
	0	1,890,937

This loan is interest free, unsecured and has no fixed terms of repayment.

4 Accumulated Funds

Balance at the beginning of the year	12,143,614	10,964,343
Surplus for the year as per income statement	7,433,160	1,253,197
Change in accounting policy - Western Cape	-	(78,483)
Adjustments - Eastern Cape	-	(36,000)
Adjustments - Cow Parade Expenses	(1,890,940)	-
Change in policy - write-off movables on consolidation	-	40,557
Balance at the end of the year	17,685,834	12,143,614

CHOC CHILDHOOD CANCER FOUNDATION
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

5 Commitments

Approved and contracted for by the Committee:

Pretoria - New Property	1,296,000	-
Diepkloof - New Property	350,000	-
	1,646,000	-

Approved by the Committee not yet contracted:

CHOC Houses

Johannesburg - Improvements and new vehicle	305,500	-
Pretoria - Improvements	100,000	-
Western Cape - Improvements	200,000	-
Diepkloof - Furniture	10,000	-
Tygerberg Lodge - Improvements	40,000	-
East London - New property	1,700,000	-
	2,355,500	-

Ward comforts and facilities

Johannesburg General - Upgrade ward	100,000	-
Baragwanath - Improvements and ward upgrade	367,100	-
Pretoria - Garankuwa ward upgrades	135,000	-
Western Cape - Grootte Schuur ward upgrades	174,000	-
Tygerberg Lodge - ward improvements	91,500	-
East London - Frere Hospital ward upgrade	20,000	-
	887,600	-

Total	3,243,100	-
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Total commitments	4,889,100	-
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CHOC CHILDHOOD CANCER FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Continued

6 Analysis

	2007		2006	
	R	%	R	%
	Total	Percentage to total income		Percentage to total income
Total income	14,510,664	100.00%	8,038,962	100.00%
Parent child and family support	919,785	6.34%	1,580,435	19.66%
Ward comforts and facilities	955,025	6.58%	769,971	9.58%
Medical / Hospital equipment	209,577	1.44%	153,312	1.91%
CHOC Houses / Lodges	1,646,891	11.35%	1,359,131	16.91%
Support for medical staff	338,556	2.33%	264,328	3.29%
Programme expenditure	1,619,285	11.16%	1,080,091	13.44%
Administration	1,388,385	9.57%	1,578,498	19.64%
Total expenditure	7,077,504	48.77%	6,785,766	84.41%
Net surplus	7,433,160	51.23%	1,253,196	8.64%
Capital expenditure - CHOC Houses	1,790,000	12.34%	1,743,233	12.01%
	5,643,160		(490,037)	
Commitments as per note 5	4,889,100	33.69%		
Transfer to/(from) reserves	754,060		(490,037)	

ACKNOWLEDGEMENT

We would like to express our sincere thanks and appreciation to our donors and sponsors who contributed so generously in the year under review. Special thanks is conveyed to our individual donors who are too numerous to list here, but without whose support we would not be able to "keep hope alive" for our children.

- A & S Foods
- ABSA Bank
- African Cables
- Airports Company SA
- Aucor Auctioneers
- Auto & General
- Avroy Schlain
- Barbeque Rib Manufacturers
- Bell Dewar Hall
- BHP Billiton
- Bloemfontein Milling
- Borsook Family Trust
- Bowman Gilfillan
- Bridgestone
- Canon
- CANSA
- Carill RSA (Pty) Ltd
- Carl & Emily Fuchs Trust
- Checkers Hyper
- Chemserve
- Coca-Cola
- Comutanet
- Daimler Chrysler
- Danone Clover
- debis Fleet Management
- Defy Appliances
- Dell (Pty) Ltd
- Dell Foundation
- Deutsche Bank
- Digicore
- DisChem
- Discovery Holdings Ltd
- DivFood
- Donald Gordon Foundation
- E Oppenheimer & Son
- Emelpee (Pty) Ltd
- Emperors Palace
- E-TV
- Everysun
- Finwood Papers
- FNB
- Formsure
- Fourways Citroen
- Free State Legislature
- Fresh Eye Film Productions
- Gauteng Offcourse Bookmakers Assoc
- Gavin Gow & Co
- Genesis Steel
- Glenrand MIB
- Gold Reef City
- GrandWest Casino
- Green Office
- Hospice
- I & J Seafoods
- Impala Fruit & Vegetables
- Investec
- Jet Demolition
- Johnson & Johnson
- JSE
- Kaufman Levin Associates
- Kellogg Brown & Root
- Kulula.com
- Kyocera
- Lancet Laboratories
- Legacy Group
- Lifestyle Garden Centre
- Lindsay Saker
- MacSteel
- Matrix Vehicle Tracking
- Metropolitan Health Group
- Motorola
- MTN
- Music for the Children
- Nampaq
- Nashua Mobile
- Nedbank Corporate
- Nestle
- Netcare Chairmans Fund
- Open Plan Medical
- Orion Telecom
- PHD Distributors
- Pick 'n Pay
- Plascon
- Platinum Life
- PPC Cement
- Prestige Cleaning
- PriceWaterhouseCoopers
- Process Projects
- Quick Silver Auto
- Redhill Steel
- Regent Insurance
- Ramathe Chartered Accountants
- Renault
- Richards Trucks & Lorries
- Round Table
- S J Printers
- SA Breweries
- SA Chef's Association
- SA Eagle
- SAAF Museum
- Samaritan's Purse (USA)
- Sandoz SA (Pty) Ltd
- Sasfin Bank
- Scottish Knitwear
- Seardel Investment Corp
- Sentech
- Servochem
- Shell
- Skyline Freight
- Smith Garb & Associates
- Spar Supermarkets
- Spotlight Productions
- SRK Consulting
- Standard Bank
- Sunshine Hospital
- Toyota SA
- Transunion Credit
- Trident Steel
- Tswelopele Labour
- Vasdex Associates
- Vegepack
- Versalec Cables
- Victor Daitz Foundation
- Vital Merchandising
- Vo-Call Cellular
- Werksmans Attorneys
- Westwing Holdings
- WG Wearne
- Windmill Casino
- Wyeth
- Zawadi Gems & Curios

Any omissions from the above list are not deliberate on CHOC's part. If you made contributions to CHOC in the year under review and have been omitted from the list above, please accept our sincere apologies.