

THE VALLEY TRUST
(Non Profit Organisation No. 002-280 NPO)
(Public Benefit Organisation No. 18/11/13/2817)

ANNUAL FINANCIAL STATEMENTS
at 31 March 2009

Contents	Page
Statement of Trustees' responsibility	2
Corporate Governance statement	3 - 4
Report of the independent auditors	5
Report of the Trustees	6 - 7
Balance sheet	8
Income statement	9
Statement of changes in capital and reserves	10
Cash flow statement	11
Notes to the financial statements	12 - 22
Annexures	A - D

THE VALLEY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITY for the year ended 31 March 2009

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices.

The Trustees are also responsible for the Trust's system of internal financial controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the 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 system 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 in operation for the foreseeable future.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 6 to 22 were approved by the Board of Trustees on 12 August 2009 are signed on its behalf by :

B I Khumalo
Chairman

J Kvalsvig
Deputy Chairman

THE VALLEY TRUST

CORPORATE GOVERNANCE STATEMENT for the year ended 31 March 2009

Members of the Board of Trustees of the Valley Trust are ultimately accountable for the governance of the Trust and are fully cognisant of their collective and individual responsibility for promoting high standards of corporate governance.

The Trust confirms its commitment to the principles of openness, integrity and accountability.

Board of Trustees

Responsibilities

The Board was established on the basis of a legal Deed of Trust document. The Board meets regularly, at least quarterly, and is responsible for oversight and ensuring proper accountability by the Executive Management. The Executive Management attends board meetings by invitation.

The roles of Chairman and Executive do not vest in the same person and the Chairman is always a non-executive Trustee. The Chairman and Executive Director provide leadership and guidance to the Trust's Board and encourage proper deliberation on all matters requiring the Board's attention, and they obtain optimum input from the other Trustees.

The Board has ultimate responsibility for the management and strategic direction of the Trust, as well as for attending to legislative, regulatory and best practice requirements. Accountability to stakeholders remains paramount in Board decisions, and this is balanced against the demands of the regulatory environment in which the Trust operates, and the concerns of its other stakeholders.

Executive Management

These officers are involved with the day-to-day business activities of the Trust and are responsible for ensuring that decisions, strategies and views of the Board are implemented.

Risk Management and the Internal Control Framework

Effective risk management is integral to the Trust's objective of consistently adding value to the organisation. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures are in place to manage operating risk and involve segregation of duties, transactions authorisation, supervision, monitoring and financial and managerial reporting.

To meet its responsibility with respect to providing reliable financial information, the Trust maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against loss or unauthorised acquisition, use or disposal and that transactions are properly authorised and recorded.

THE VALLEY TRUST

CORPORATE GOVERNANCE STATEMENT for the year ended 31 March 2009

The system includes division of responsibility, established policies and procedures that are communicated throughout the Trust. All efforts are made to foster a strong, ethical environment. It also includes the careful selection, training and development of people.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Trust assessed its internal control system as at 31 March 2009 in relation to the criteria for effective internal control over financial reporting. The internal control process has been in place up to the date of approval of the annual report and financial statements. Based on its assessment, the Trust believes that, as at 31 March 2009, its system of internal control over financial reporting and over safeguarding of assets against unauthorised acquisition, use or disposition, met those criteria.

Ethical Standards

The Trust has a culture of the highest standards of behaviour and professionalism. This culture requires that all Trust personnel act with the utmost integrity and objectivity and in compliance with the letter and spirit of both the law and Trust policies. Failure by employees to uphold this culture results in disciplinary action.

Accounting and Auditing

The Board places strong emphasis on achieving the highest level of financial management, accounting and reporting to stakeholders. The Board is committed to compliance with the Statements of Generally Acceptable Accounting Practice in South Africa. In this regard, Trustees shoulder responsibility for preparing financial statements that fairly present :

- The state of affairs as at the end of the financial year under review;
- Surplus or deficit for the period;
- Cash flows for the period; and
- Non-financial information.

We have considered the independence of the external auditors and have concluded that their independence is not impaired in any way.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of Trustees, the Board of Trustees and committees of the Board. The Trustees believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors provide an independent assessment of systems of internal financial control to the extent necessary for the audit, and express an independent opinion on whether the financial statements are fairly presented. The external audit function offers reasonable, but not absolute assurance as to the accuracy of financial disclosures.

THE VALLEY TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2009

The Trustees present their annual report, which forms part of the audited financial statements of the Trust for the year ended 31 March 2009.

1. General review

The Valley Trust is a centre for health promotion, founded in 1953. It is located in the Valley of a Thousand Hills, approximately halfway between Durban and Pietermaritzburg.

The vision of the organisation is that of “communities in which people take responsibility for improving their own health and quality of life within a democratic society”.

The Valley Trust is a facilitator of change, of strengthening self-esteem in individuals and communities. Its purpose is to “enable people to initiate and sustain their own developmental change process”

This is achieved through :

- facilitation
- supporting training
- partnerships
- action research : research to support action
- lobbying and advocacy
- sharing our learning through documentation and presentations in various forms
- developing models of good (relevant and appropriate) practice

Our work is based on the belief that :

- all people have potential
- all people have choices
- all people have equal rights
- good health and sustainable development requires positive interactions between people and their environments

The organisational core values are :

Proactivity, integrity, human dignity, enablement and sustainability.

The Annual Report is available as a separate document which describes the operations of the organisation for the year under review in greater detail.

Contact details : Tel: 031 – 716 6800
 Fax: 031 – 777 1114
 Email: tvtfinance@vTrust.org.za
 Website: thevalleyTrust.org.za

2. Financial results

Full details of the financial results are set out on pages 8 to 22 in the attached financial statements.

THE VALLEY TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2009

3. Trustees

The following served as Trustees during the current year :

Mr Bongani Khumalo	Chairman
Dr Jane Kvalsvig	Deputy Chairman
Mr Sthembiso Ndlovu	
Mr Rauri Alcock	
Ms Janine Hicks	
Prof Victor Nzimande	

Mr David Williams acted as honorary treasurer during the year and has subsequently resigned.

4. Material events after year end

It was discovered subsequent to year end, that the Valley Trust had a liability of R675 660 owing to Momentum with regards to the Pension Fund. This has been adequately recorded in the financial statements.

5. Auditors

PricewaterhouseCoopers Inc. will continue in office.

THE VALLEY TRUST

BALANCE SHEET as at 31 March 2009

	Notes	2009 R	2008 R
ASSETS			
Non-current assets			
Property, plant and equipment	7	2 712 541	2 721 300
Halley Stott Fund Investments	8	32 883 988	39 237 622
Current assets			
Trade and other receivables	9	1 099 772	1 858 944
Cash and cash equivalents	10	997 480	2 190 229
TOTAL ASSETS		37 693 781	46 008 095
RESERVES AND LIABILITIES			
Capital and reserves			
Capital and reserves		677 196	1 712 858
Halley Stott Fund		32 883 988	39 237 622
Balance of grants unspent	11	1 597 119	3 563 636
Non-current liabilities			
Interest bearing borrowings	13	26 691	148 411
Current liabilities			
Trade and other payables	12	2 423 930	1 163 709
Current portion of interest bearing borrowings	13	84 857	181 859
TOTAL RESERVES AND LIABILITIES		37 693 781	46 008 095

THE VALLEY TRUST**INCOME STATEMENT
for the year ended 31 March 2009**

	Notes	2009 R	2008 R
Revenue	3	9 046 336	14 438 711
Other income		4 219 007	2 000 000
Expenditure		16 353 798	19 342 021
Operating expenditure		3 158 543	3 227 687
Set off to grants		(1 811 341)	(1 486 019)
Contributions to projects		3 993 743	2 966 281
Project / Programme expenditure		11 012 853	14 634 072
Operating deficit	4	(3 088 455)	(2 903 310)
Finance income	6	117 013	167 056
Finance costs		(30 737)	(59 639)
Decrease in balance of grants unspent		1 966 517	195 361
Net deficit for the year		(1 035 662)	(2 600 532)

THE VALLEY TRUST

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
for the year ended 31 March 2009**

	Capital R	Halley Stott Fund R	Total R
Balance at 31 March 2007	4 313 390	39 406 994	43 720 384
Net deficit before transfer	(2 600 532)	-	(2 600 532)
Revaluation of investment to market value	-	(6 370 872)	(6 370 872)
Release of investment revaluation	(993 982)	-	(993 982)
Surplus on disposal of investment	993 982	-	993 982
Transfer net income of Halley Stott Fund	-	6 201 500	6 201 500
Surplus on sale of shares		6 973 926	
Interest and dividend received		2 053 100	
Administration costs		(165 207)	
Utilised to fund expenditure			
- transferred to grant expenditure – other income		(660 319)	
- transferred to other revenue		(2 000 000)	
Balance at 31 March 2008	1 712 858	39 237 622	40 950 480
Net deficit before transfer	(1 035 662)	-	(1 035 662)
Revaluation of investment to market value	-	(7 816 455)	(7 816 455)
Transfer net income of Halley Stott Fund	-	1 462 821	1 462 821
Surplus on sale of shares		3 502 024	
Interest and dividend received		2 853 895	
Administration costs		(147 600)	
Utilised to fund expenditure			
- transferred			

to grant expenditure
other income
- transferred
to other revenue

(745 498)

(4 000 000)

**Balance at 31 March
2009**

677 196

32 883 988

33 561 184

THE VALLEY TRUST

**CASH FLOW STATEMENT
for the year ended 31 March 2009**

	Notes	2009 R	2008 R
Cash flows from operating activities			
Cash receipts		9 703 799	15 289 529
Cash paid to suppliers and employees		(12 442 159)	(18 659 375)
Cash generated from operations	14	(2 738 360)	(3 369 846)
Interest received		117 013	167 056
Interest paid		(30 737)	(59 639)
<i>Net cash inflow from operating activities</i>		(2 652 084)	(3 262 429)
Cash flows from investing activities			
Fixed assets acquired		(501 392)	(586 333)
Investment acquired		(2 706 295)	(14 443 022)
Proceeds on disposal of investments		4 745 498	15 219 132
Proceeds on disposal of fixed assets		140 246	54 981
<i>Net cash inflow (outflow) from investing activities</i>		1 678 057	244 758
Cash flows from financing activities			
Proceeds raised from finance leases		-	330 270
Repayments of finance leases		(218 722)	-
<i>Net cash inflow from financing activities</i>		(218 722)	330 270
Net decrease in cash and cash equivalents		(1 192 749)	(2 687 401)
Cash and cash equivalents at beginning of year		2 190 229	4 877 630
Cash and cash equivalents at end of year	10	997 480	2 190 229

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1. Basis for preparation

The financial statements are prepared on the historical cost basis modified by the revaluation of financial assets and financial liabilities. These annual financial statements comply with South African Statements of Generally Accepted Accounting Practice. The following are the principal accounting policies used by the Trust, which are consistent with those of the previous year.

1.1 *Property, plant and equipment*

All property, plant and equipment is included at cost. Cost includes all costs directly attributed to bring the assets to working condition for their intended use.

Depreciation is calculated on a straight-line method to write off costs of the assets to their residual values over their expected useful lives. Land is not depreciated as it is deemed to have an indefinite life. The expected useful lives are as follows :

Buildings	20 years
Furniture and fittings	10 years
Office equipment	10 years
Computer equipment	5 years
Motor vehicles	5 years
Improvements to land and buildings	10 years

Expected useful lives and residual values are assessed and adjusted, if necessary, annually.

1.2 *Investments*

Quoted investments are stated at the market value at year end. Revaluation surpluses and deficits are taken to the statement of changes in equity. Other investments are stated at cost and are written down only where there is impairment. Dividends are brought to account as at the last day of registration in respect of listed shares, and when declared in respect of unlisted shares.

On the disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

1.3 *Trade receivables*

Trade receivables are carried at an anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.4 *Cash and cash equivalents*

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

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1.5 Provisions

Provisions are recognised when the Trust has a present or legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, as and when a reliable estimate of the amount of the obligation can be made.

1.6 Leave

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. An accrual is raised for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

1.7 Revenue recognition

Grant income is recognised in terms of the conditions stated in individual donors' contracts, either when it becomes due or when it is receivable whichever is applicable. Unexpended funds are carried forward to subsequent periods. Other income is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of value added tax and discounts.

1.8 Financial instruments

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are re-measured at fair value, except fixed maturity investments, such as debt and loans. Financial liabilities are recognised at the original debt less principal repayments and amortisations, except for trade creditors, which are re-measured at fair value.

1.9 Retirement funds

The Trust's contributions to the defined contribution plans are charged to the income statement in the year to which they relate.

1.10 Halley Stott Fund

The Halley Stott Fund is an unrestricted reserve of the Trust. The purpose of the Fund is to enable projects and operations of the organisation to be sustained when grants are delayed, or have not been renewed or donations have not been received. Management monitor the cash flow requirements of the organisation on an ongoing basis and, when necessary, request the transfer of funds from the Halley Scott Fund to meet these requirements. The Board of Trustees approve and authorise any such transfer. The Fund comprises mainly of quoted investments which are stated at market value at year end.

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1.11 *Standards, interpretations and amendments to existing standards issued*

Standards, amendments and interpretations effective in 2009

The following standards, amendments and interpretations of published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Company's operations:

- IFRIC 12, 'Service Concession Arrangements', (effective for periods beginning on or after 1 January 2008),
- IFRIC 14, IAS 19 – 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', (effective for periods beginning on or after 1 January 2008).

Standards, amendments and interpretations of existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2009 but the Company has not early adopted them:

- IAS 1, 'Presentation of Financial Statements – Revised', (effective for periods beginning on or after 1 January 2009),

The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 from annual periods beginning 1 April 2009.

- IAS 16, 'Property, Plant and Equipment', (effective for periods beginning on or after 1 January 2009),
- IAS 16 amends the definition of "recoverable amount" to replace the term "net selling price" with the term "fair value less costs to sell", in order to achieve consistency with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and IAS 36 Impairment of Assets. The Company will apply IAS 16 from annual periods beginning 1 April 2009.
- IAS 23, 'Borrowing Costs – Revised', (effective for periods beginning on or after 1 January 2009),

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1.11 *Standards, interpretations and amendments to existing standards issued (continued)*

The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The accounting policy of the Company is to capitalise borrowing costs and therefore this amendment will not have a significant financial impact on the Company.

- IFRIC 13, 'Customer Loyalty Programmes', (effective for periods beginning on or after 1 July 2008),
- IFRIC 13 addresses the accounting by an entity that grants award credits to its customers as part of a sales transaction or the rendering of services and, subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services. The Company is assessing the accounting and disclosure requirements of IFRIC 13. The Company will apply IFRIC 13 from annual periods beginning 1 April 2009.

Standards, amendments and interpretations of existing standards that are not yet effective and not relevant to the Company's operations

Management have assessed the relevance of the following new standards, amendments and interpretations to existing standards with respect to the Company's operations and concluded that they are not relevant to the Company's operations:

- IFRIC 15, 'Agreements for the Construction of Real Estate', (effective for periods beginning on or after 1 January 2009),
- IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation', (effective for periods beginning on or after 1 October 2008),

Amendment to IFRS 2, 'Share-based Payment - Vesting conditions and cancellations', (effective for periods beginning on or after 1 January 2009),

Amendment to IAS 32, 'Financial Instruments: Presentation' and IAS 1, 'Presentation of financial statements - Puttable Financial Instruments and Obligations Arising on Liquidation', (effective for periods beginning on or after 1 January 2009),

- Amendment to IFRS 1, 'First time adoption of IFRS' and IAS 27, 'Consolidated and separate financial statements', (effective for periods beginning on or after 1 January 2009),
- IFRS 3, 'Business Combinations – Revised', (effective for periods beginning on or after 1 July 2009),

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1.11 *Standards, interpretations and amendments to existing standards issued (continued)*

- IFRS 8, 'Operating Segments', (effective for periods beginning on or after 1 January 2009),
- IAS 27, 'Consolidation and Separate Financial Statements – Revised', (effective for periods beginning on or after 1 July 2009),
- IAS 39, 'Financial Instruments – Recognition and Measurement', (effective for periods beginning on or after 1 January 2009),
- IFRIC 17, 'Distributions of non-cash assets to owners', (effective for periods beginning on or after 1 July 2009).

1.12 *Financial risk management*

Financial Risk Factors

The Trust's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Trust's financial performance. The Trust uses derivative financial instruments to cover certain risk exposures.

Risk management is carried out by management under guidelines issued by the board of Trustees.

i) Market risk

a) Foreign exchange risk

The Trust receives donations from international donors and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Trust's functional currency. Managements' policy is to convert all foreign exchange received at spot as soon as it is received.

b) Cash flow interest rate risk

As the Trust has significant interest-bearing assets, the Trust's income and operating cash flows are substantially dependent on changes in market interest rates.

The Trust's interest rate risk arises from investments. These investments earn interest at variable rates and this exposes the Trust to cash flow interest rate risk.

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

ii) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only major commercial banks are used.

Management has a credit policy in place and monitor the exposure to credit risk.

A provision is made for debts that are considered doubtful.

iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

2.1 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Critical accounting estimates and assumptions

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(a) Provision for impairment of trade receivables and credit notes

Management base the need for a provision on circumstances that exist at year end. Any changes in these circumstances will impact the carrying amount of this provision, if any.

2.3 Fair value estimation

The carrying value of investments, trade receivables and payables are assumed to approximate their fair values. Investments held in the Halley Stott Fund are restated to fair value at year end.

3. Revenue

Revenue consists of grants receivable from donors, services rendered, contracts and consultancy, investment income and donations.

When significant, bequests are separately disclosed.

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

4. Operating deficit

The following items have been charged in arriving at the operating deficit:

	2009 R	2008 R
Depreciation		
Buildings	206 688	207 498
Improvements	25 523	8 015
Furniture and equipment	116 860	156 178
Computers	92 588	141 413
Vehicles	27 253	232 433
	<u>468 912</u>	<u>745 537</u>
Auditors remuneration		
Current year	56 000	57 250
Prior year underprovision	(3 810)	6 916
Other	6 703	4 300
	<u>58 893</u>	<u>68 466</u>
Operating Lease Charges		
Motor Vehicles	-	36 794
Office Equipment	664 799	525 996
Movement in provision for impairment of receivables	141 636	(750 102)
Staff costs	10 999 493	11 271 232
Pension costs - Defined contribution plan	1 069 603	387 532

5. Taxation

No taxation is payable as the organisation is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

6. Finance income

Interest received		
Bank	8 601	19 104
Investments	108 412	147 952
	<u>117 013</u>	<u>167 056</u>

THE VALLEY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009**

7. Property, plant and equipment

	<i>Land R</i>	<i>Buildings R</i>	<i>Improve- ments R</i>	<i>Computers R</i>	<i>Furniture & Equipment R</i>	<i>Motor vehicles R</i>	<i>Total R</i>
As at ended 31 March 2009							
Opening net book value	132 901	1 437 661	42 683	230 833	609 050	268 172	2 721 300
Additions	-	-	341 879	18 668	20 845	120 000	501 392
Disposals	-	-	-	-	(35 412)	(5 827)	(41 239)
Depreciation charge	-	(206 688)	(25 523)	(92 588)	(116 860)	(27 253)	(468 912)
Closing net carrying amount	132 901	1 230 973	359 039	156 913	477 623	355 092	2 712 541
As at 31 March 2009							
Cost	132 901	4 312 850	457 052	927 689	1 387 804	966 433	8 184 729
Accumulated depreciation	-	(3 081 877)	(98 013)	(770 776)	(910 181)	(611 341)	(5 472 188)
Net book value	132 901	1 230 973	359 039	156 913	477 623	355 092	2 712 541
As at ended 31 March 2008							
Opening net book value	132 901	1 645 159	31 021	314 753	744 145	50 634	2 918 613
Additions	-	-	19 677	95 602	21 083	449 971	586 333
Disposals	-	-	-	(38 109)	-	-	(38 109)
Depreciation charge	-	(207 498)	(8 015)	(141 413)	(156 178)	(232 433)	(745 537)
Closing net carrying amount	132 901	1 437 661	42 683	230 833	609 050	268 172	2 721 300
As at 31 March 2008							
Cost	132 901	4 312 850	115 176	1 012 489	1 729 094	1 035 092	8 337 602
Accumulated depreciation	-	(2 875 189)	(72 493)	(781 656)	(1 120 044)	(766 920)	(5 616 302)
Net book value	132 901	1 437 661	42 683	230 833	609 050	268 172	2 721 300

Motor vehicles include leased assets with a book value of R160 285 (2008: R286 172). Refer to note 13.

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

8. Halley Stott Fund Investments

	2009 R	2008 R
Quoted investments at market value	12 993 283	23 089 079
Mortgage bonds	8 000	8 000
Cash investments	19 882 705	16 140 543
	<u>32 883 988</u>	<u>39 237 622</u>

9. Trade and other receivables

Receivables	90 235	478 725
Receiver of revenue - VAT	48 904	-
Other receivables	960 633	1 380 219
	<u>1 099 772</u>	<u>1 858 944</u>

The provision relates to:

Normal trade debtors	27 185	216 041
Loans to other Non-profit organisations	800 949	753 729
	<u>828 134</u>	<u>969 770</u>

Financial instruments by category : trade debtors and other receivables are classified as loans and receivables.

As of 31 March 2009, trade receivables of R90 235 (2008: R478 725) were fully performing.

As of 31 March 2009, trade receivables of R46 903 (2008: R98 625) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

30 days	43 332	415 142
60 days	3 175	60 293
90 days	12 044	-
90+ days	31 684	38 332
	<u>90 235</u>	<u>513 767</u>

As of 31 March 2009, trade receivables of R828 134 (2008: R969 770) were impaired and provided for. The individually impaired receivables relate to various smaller customers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of those receivables is as follows :

Receivables impaired		
90+ days	<u>828 134</u>	<u>969 770</u>

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

	2009 R	2008 R
10. Cash and cash equivalents		
Cash at bank and short term cash deposits	996 080	2 189 029
Cash on hand	1 400	1 200
	<u>997 480</u>	<u>2 190 229</u>
11. Balance of grants unspent		
Opening balance	3 563 636	3 758 997
Income	9 046 336	14 438 711
Expenditure	(11 012 853)	(14 634 072)
Closing balance	<u>1 597 119</u>	<u>3 563 636</u>
12. Trade and other payables		
Trade payables	58 198	165 192
Accruals	1 575 502	930 905
Receiver of Revenue – VAT	-	17 792
Sundry payables	790 230	49 820
	<u>2 423 930</u>	<u>1 163 709</u>
13. Interest bearing borrowings		
Finance lease liability		
Total amount outstanding	111 548	330 270
Less: Current portion transferred to current liabilities	(84 857)	(181 859)
	<u>26 691</u>	<u>148 411</u>

These liabilities are repayable in monthly instalments of R7 870 inclusive of interest and bear interest at prime linked rates from 16% - 21%. The finance lease liabilities are secured by certain vehicles with a carrying amount of R160 285 (2008: R286 172).

THE VALLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

	2009 R	2008 R
14. Cash generated from operations		
Reconciliation of cash generated from operations		
Net deficit before interest	(3 088 455)	(2 903 310)
Income attributable to Halley Stott Fund	1 462 821	6 201 499
	(1 625 634)	3 298 189
Depreciation	468 912	745 537
Profit on sale of fixed assets	(99 007)	(16 872)
Revaluation of investment to market value	-	(3 683)
Surplus on disposal of investment	(3 502 024)	(6 973 926)
Decrease / (increase) in accounts receivable	759 172	(359 883)
Increase / (decrease) in accounts payable	1 260 221	(59 208)
	(2 738 360)	(3 369 846)
15. Contingencies and commitments		
Full maintenance lease agreements :		
Lease Agreement 1 : Contract lease management		
Total future minimum lease payments due as follows:		
Not later than 1 year	-	225 944
Later than 1 year and not later than 5 years	-	160 363
	-	386 307
Office equipment operating lease		
Lease Agreement 1 : ISL Finance (Pty) Ltd		
Total future minimum lease payments due as follows:		
Not later than 1 year	-	18 984
Later than 1 year and not later than 5 years	-	-
	-	18 984
Lease Agreement 2 : Canon		
Total future minimum lease payments due as follows:		
Not later than 1 year	670 397	629 444

Later than 1 year and not later than 5 years

<u>1 459 228</u>	<u>2 065 210</u>
<u>2 129 625</u>	<u>2 694 654</u>

THE VALLEY TRUST

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2009

	2009 R	2008 R
REVENUE		
Grant revenue	9 046 336	14 438 711
Donations	5 854 969	9 702 738
Bequests	40 500	-
Other income	2 367 525	2 889 116
Contracts and consultancy	783 342	1 846 857
Other revenue	4 336 020	2 167 056
The Valley Trust – Halley Stott Fund	4 000 000	2 000 000
Profit on disposal of property, plant and equipment	99 007	-
Sundry income	120 000	-
Interest received	117 013	167 056
Rentals received	511 803	462 204
Allocated to other income above	(511 803)	(462 204)
TOTAL REVENUE	13 382 356	16 605 767
EXPENDITURE		
Total operating expenditure	3 158 544	3 227 687
Amounts off set to grants	(1 811 341)	(1 486 019)
Unallocated operating expenditure	1 347 203	1 741 668
Contributions to projects	3 993 743	2 966 281
Project / Programme expenditure	11 012 852	14 634 072
TOTAL EXPENDITURE	16 353 798	19 342 021
OPERATING DEFICIT for the year	(2 971 442)	(2 736 254)
Finance charges	(30 737)	(59 639)
Decrease in balance of grants unspent	1 966 517	195 361
NET DEFICIT for the year	(1 035 662)	(2 600 532)

THE VALLEY TRUST

TOTAL OPERATING EXPENDITURE for the year ended 31 March 2009

	2009	2008
	R	R
Administration costs	381 193	229 448
Auditor's remuneration	58 893	68 466
Bad debts – change in provision	95 152	750 102
Depreciation		
Buildings	206 688	207 498
Improvements	25 523	8 015
Furniture and equipment	116 860	156 178
Computers	92 588	141 413
Motor vehicles	27 253	232 433
Disposals	-	11 426
Electricity and water	169 399	159 371
Legal fees	45 988	33 655
Maintenance	239 349	269 860
Staff costs	675 660	-
Security	288 483	272 411
Telephone	274 653	297 353
Vehicle operating expenses		
Petrol	199 605	163 181
Maintenance	223 517	153 862
Leases	-	36 794
Workmen's compensation	37 739	36 221
	<u>3 158 543</u>	<u>3 227 687</u>

THE VALLEY TRUST

GRANT SCHEDULE

for the twelve months ended 31 March 2009

	Balance 1 April 2008	Donations	Contracts & Consultancy	Other Income	Total funds	Assets	Materials & Services	Salaries & Staff Development	Transport	Exp before transfers	Transfers	The Valley Trust Contribution	Balance 31 March 2009
Executive directors office	(525 111)	(304 089)	(404 710)	(849 622)	(2 083 532)	-	1 040 971	1 900 889	88 996	3 030 856	(88 518)	(1 010 139)	(151 333)
Monitoring, Evaluation and Research	(843 783)	(428 181)	(172 175)	(252 135)	(1 696 274)	22 003	1 590 487	1 265 520	45 380	2 923 390	(781 565)	(1 001 276)	(555 725)
Organisational Support	(503 644)	(190 431)	(121 497)	(996 600)	(1 812 172)	2 446	1 386 505	1 812 595	24 116	3 225 662	(1 926 367)	282 854	(230 023)
Programmes	(1 691 098)	(4 972 768)	(84 960)	(269 168)	(7 017 994)	18 098	2 645 570	5 139 328	423 362	8 226 358	393 229	(2 261 631)	(660 038)
	(3 563 636)	(5 895 469)	(783 342)	(2 367 525)	(12 609 972)	42 547	6 663 533	10 118 332	581 854	17 406 266	(2 403 227)	(3 990 192)	(1 597 119)

THE VALLEY TRUST

DONOR LISTING

for the year ended 31 March 2009

	2009	2008
	R	R
Ackerman Family Educational Trust	15 000	15 000
Banyan Tree Foundation	-	340 533
Brot für die Welt	660 000	432 000
Cleaner Climate	10 199	-
Camry Trading Enterprise (Pty) Ltd	129 591	92 868
Children in Distress Network (CINDI)	-	152 708
The Elma Foundation	1 200 000	-
Ford Foundation	-	684 570
Funding Development Services (FDS) – Kinder Nothilfe (KNH)	29 668	144 190
Health and Welfare Seta (HWSETA)	60 840	30 000
Herman Ohlthaver Trust	20 000	10 000
Ibiza Charitable Trust	29 000	20 100
Johns Hopkins Health and Education in South Africa	1 907 702	2 571 779
WK Kellogg Foundation	-	1 413 943
National Development Agency (NDA)	138 298	898 936
National Lotteries Board	420 391	420 396
Nelson Mandela Children’s Fund	1 014 496	1 166 667
Nestle	-	50 000
Population Council	-	30 712
RTI International	-	590 335
Sir Percy Hunting	-	20 000
Soul City Institute	20 804	167 360
The Fulton Trust	120 000	110 000
Flora Family Foundation Fund of Tides Foundation	-	272 000
Victor Daitz Foundation	60 000	50 000
Bequests	40 500	-
Other donations	18 980	18 641
	5 895 469	9 702 738

Donations income includes accrued income.

Donations above R10 000 have been disclosed.

THE VALLEY TRUST

CONTRACTS AND CONSULTANCY LISTING for the year ended 31 March 2009

	2009 R	2008 R
Contracts and Consultancy		
Department of Health District Offices	414 194	337 270
District Health Expenditure Review (DHER) – KwaZulu-Natal	20 326	269 780
District Health Expenditure Review (DHER) – Eastern Cape	-	67 490
District Health Expenditure Review (DHER) – Mpumalanga	343 735	-
uThukela District Office – KwaZulu-Natal	50 133	-
Department of Education : KZN		
Peer Education	116 067	119 037
Reproductive Health and HIV Research Unit	-	94 489
Harvard Medical School	-	383 285
JET Educational Services (Zenex)	-	244 501
St Mary's Hospital (Computer training)	84 960	70 350
Other contracts and consultancies	168 121	597 925
	<u>783 342</u>	<u>1 846 857</u>

Contracts and consultancies in excess of R50 000 have been disclosed.