

MUSIC THERAPY COMMUNITY CLINIC (029-601-NPO)
ANNUAL FINANCIAL STATEMENTS AT 29 FEBRUARY 2008



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The annual financial statements set out on the following pages were approved by the Board of Governors on 23 May 2008 and are signed on their behalf by :


 Brenda Robertson:Chair Person

Cape Town


 Sunelle Fouché :Executive Director

**BDV PLATINUM
 ACCOUNTANTS AND AUDITORS INCORPORATED**

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REPORT OF THE INDEPENDENT AUDITORS
 TO THE MANAGEMENT COMMITTEE OF MUSIC THERAPY COMMUNITY CLINIC

We have audited the annual financial statements of Music Therapy Community Clinic as set out on the following pages, for the year ended 29 February 2008. These financial statements are the responsibility of the management committee. Our responsibility is to report on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :

- examining on a test basis, of evidence, supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation

We believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections prior to the initial entry of collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

Qualified Audit Opinion

In our opinion, except for the possible effect, if any, of the matter referred to in the preceding paragraph, these financial statements fairly present in all material respects, the financial position of the organisation at 29 February 2008 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

REPORT OF THE INDEPENDENT AUDITORS (Continued)

Supplementary Information

The detailed income statement set out on the final page does not form part of the financial statements and is presented as additional information. We have not audited this schedule and accordingly do not express an opinion thereon.



**BDV PLATINUM
CHARTERED ACCOUNTANTS (S.A.)
REGISTERED ACCOUNTANTS AND AUDITORS
WESTLAKE**

23 MAY 2007

Partners: A.K. Botha CA (SA) | C.B. de Vries CA (SA) | M. Dawson CA (SA)

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 29 FEBRUARY 2008

The management committee is responsible for monitoring the preparation and integrity of the financial statements and related information included in this annual report.

In order for the management committee to discharge its responsibilities, management has developed and continues to maintain a system of internal control.

The financial statements are prepared in accordance with generally accepted accounting practice and incorporates disclosure in line with the accounting philosophy of the Organisation. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The management committee believes the organisation will be a going concern in the year ahead. For this reason it continues to adopt the going concern basis in preparing the annual financial statements.

INCOME STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2008

	Notes	2008 R	2007 R
INCOME		774 539	746 942
INTEREST INCOME	1.1	34 840	11 272
Operating Expenses		(717 543)	(436 672)
NET SURPLUS FOR THE YEAR		91 836	321 542

BALANCE SHEET

AT 29 FEBRUARY 2008

	Notes	2008 R	2007 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	4	42 021	40 135
CURRENT ASSETS			
Trade and Other Receivables		4 135	-
Cash and Cash Equivalents	2	481 168	396 074
TOTAL ASSETS		527 324	436 209
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Founder Member's Contribution		100	100
Accumulated Surplus		521 361	429 525
CURRENT LIABILITIES			
Trade and Other Payables		5 863	6 584
TOTAL EQUITY AND LIABILITIES		527 324	436 209

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED 29 FEBRUARY 2008

	Founders Contribution	Accumulated Surplus	Total
Balance at 1 March 2006	100	107 983	108 083
Net surplus for the year	-	321 542	321 542
Balance at 28 February 2007	100	429 525	429 625
Net surplus for the year	-	91 836	91 836
Balance at 29 February 2008	100	521 361	521 461

CASH FLOW STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2008

	Notes	2008 R	2007 R
Cash Flows from Operating Activities			
Cash Generated by Operations	7.1	72 371	317 890
Interest Received		34 840	11 272
Net Cash Inflow / (Outflow) from Operating Activities		107 211	329 162
Cash Flows from Investing Activities			
Additions to fixed assets		(22 116)	(30 744)
Net Increase in Cash and Cash Equivalents		85 095	298 418
Cash and Cash Equivalents at Beginning of Year		396 074	97 656
Cash and Cash Equivalents at End of Year	7.2	481 169	396 074

NOTES TO THE FINANCIAL STATEMENTS

AT 29 FEBRUARY 2008

1. ACCOUNTING POLICIES

The annual financial statements have been prepared on the historical cost basis which is consistent with prior years and incorporates the following principal accounting policies:

1.1 Income

Income comprises funding received from grants and donations.

1.2 Fixed assets

Fixed assets are depreciated on the straight line method at rates considered appropriate to reduce book values to estimated residual values over the expected useful lives of the assets.

The rates used for this purpose are:

Computer Equipment	33.3%
Musical Instruments	20%
Video Camera	20%

2. CASH AND CASH EQUIVALENTS

	2008 R	2007 R
Cash at Bank and on Hand	481 168	396 074
	481 168	396 074

3. NET SURPLUS FOR THE YEAR

Net surplus for the year is stated after:

Expenses

Auditors Remuneration	5 130	5 700
Depreciation - Musical Instruments	14 968	3 463
Depreciation - Video Camera	1 497	300
Depreciation - Computer Equipment	3 765	698
Depreciation - T - Shirts	-	-
Rent Paid	13 200	12 200

4. FIXED ASSETS

	Musical Instruments	Video Camera	Computer Equipment	Total
Carrying Value at 28 February 2007	31 115	700	8 320	40 135
Cost	38 675	1 500	9 059	49 234
Accumulated Depreciation	7 560	800	739	9 099
Additions	11 940	4 785	5 391	22 116
Disposals	-	-	-	-
Depreciation	14 968	1 497	3 765	20 230
Carrying Value at 29 February 2008	28 087	3 988	9 946	42 021
Cost	50 615	6 285	14 450	71 350
Accumulated Depreciation	22 528	2 297	4 504	29 329

The fixed assets have been depreciated as stated in Note 1.2

5. ACCUMULATED FUNDS CONSIST OF:

	2008 R	2007 R
Restricted Funds		
Anglo American Chairman's Fund	43 803	30 400
Breadline Africa	39 349	35 098
Department of Social Development	33 773	-
Elton John Aids Foundation	-	24 815
Het Maagdenhuis	19 377	30 399
Rolf-Stephan Nussbaum Foundation	13 016	-
Old Mutual Foundation	-	28 900
Soroptimists - Cape of Good Hope Club	-	5 784
Stephen Lewis Foundation	59 547	-
Via Stichting Porticus	84 121	123 296
Unrestricted Funds		
Own Funds	228 375	150 834
	<u>521 361</u>	<u>429 526</u>

6. DONATIONS RECEIVED

	2008 R	2007 R
Stephen Lewis Foundation	171 120	-
Via Stichting Porticus	98 900	184 100
Breadline Africa	65 330	100 000
Anglo American Chairman's Fund	50 000	50 000
Hampton Charitable Trust	50 000	50 000
Rolf-Stephan Nussbaum Foundation	50 000	-
Elton John Aids Foundation	42 195	39 965
Department of Social Development	41 472	-
HCI Foundation	40 000	3 000
Het Maagdenhuis	31 981	59 895
National Arts Council	30 000	15 000
Maureen Daniels - Laing	22 343	-
Maid Foundation	20 000	10 000
Other Donations	14 421	20 028
Soroptimists - Cape of Good Hope Club	11 787	14 000
Riyadh Choral Society	6 854	-
Rotary Club Pinelands	5 000	-
David Graaff Foundation	3 000	3 000
Pick 'n Pay Foundation	1 000	-
Donaldson Trust	-	23 000
Lionel Waker	-	6 000
Old Mutual Foundation	-	100 000
Pinelands High School	-	20 000
Punctuate Design	-	29 188
	<u>755 403</u>	<u>727 176</u>



7. NOTES TO THE CASH FLOW STATEMENT

7.1 Cash generated by operations

	2008 R	2007 R
Net Surplus For The Year	91 837	321 542
Adjustments		
Depreciation	20 231	4 461
Investment Income	(34 841)	(11 272)
	77 227	314 731
WORKING CAPITAL MOVEMENT		
Increase in Accounts Receivable	(4 135)	-
(Decrease) / Increase in Accounts Payable	(721)	6 584
	72 371	321 315

7.2 Cash and cash equivalents

Current Account	87 810	23 711
Deposits on Call	392 191	352 008
Fund Account	167	-
Petty Cash	1 000	20 355
	481 168	396 074

8. TAXATION

Provision for taxation has not been made as the organisation is exempt from tax in terms of section 30 and 10(1)(cN) of the Income Tax Act. The organisation's PBO number is 930011978.



I learnt that I could be a musician ... because I felt joy with others when we were singing.

Adult participant of the Music Therapy group - Music for Health project

Whenever the children participate in music activities I find that they become more active and they dance and sing the whole day.

Edu-care teacher working with the children's groups - Music for Health project

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2008

Notes	2008 R	2007 R
INCOME	809 380	758 214
Donations in Kind	6 500	-
Donations Received	5 755 403	727 176
Fees	12 236	10 740
Interest Received	34 841	11 272
Play it forward	400	9 026
TOTAL INCOME	809 380	758 214
EXPENDITURE	717 543	436 672
Operating Costs		
Accounting and Audit	17 329	13 008
Annual Report	4 808	3 984
Bank Charges	5 661	3 825
Courier and Postage	455	376
Depreciation	20 231	4,461
Fundraising Expense	8 550	5 102
Internet and Website Hosting	2 120	-
Marketing	1 456	1 572
Media Consumables	525	-
Office Supplies	606	-
Printing and Stationery	2 945	3 338
Rent Paid	13 200	12 200
Repairs and Maintenance	2 354	940
Salaries and Wages	127 324	95 700
Software	730	-
Tea and Refreshments	954	522
Telephone and Communications	7 492	7 313
Programme Costs		
Community Music Training	702	-
Heideveld Music Therapy Project (Trauma)	206 161	142 495
Music For Health Project (hospital settings)	55 147	9 751
Music for Life Project (after-school music groups)	98 273	44 362
Siyaphila Project (HIV/AIDS)	114 755	82 950
Project Evaluation	4 495	2 298
Skills Development and Training	21 270	2 475
NET SURPLUS FOR THE YEAR	91 837	321 542