

**PACE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
REGISTRATION NUMBER 2005/012777/08  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2009**

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**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Non-profit Organisation
<b>Directors</b>	P. A. Brink (Executive Secretary) A. L. Luscombe (President) A. M. Okreglicki (Vice-President)
<b>Executive committee</b>	P. A. Brink A. Goosen M. J. Heradien R. de Jong A. L. Luscombe H. T. Marais A. M. Okreglicki M. E. du Plessis W. Stranix
<b>Business address</b>	PACE Clinic Faculty of Health Sciences University of Stellenbosch TYGERBERG 7505
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	HLB Marx Gore Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Fundraising number</b>	PBO 930 020 446
<b>Nonprofit Organisation number</b>	045 662 NPO

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The reports and statements set out below comprise the annual financial statements presented to the directors:

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## **REPORT OF THE INDEPENDENT AUDITORS**

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### **To the Directors of PACE (Association Incorporated under Section 21)**

We have audited the accompanying annual financial statements of PACE (Association Incorporated under Section 21), which comprise the directors' report, the balance sheet as at 28 February 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 12.

### **Directors' Responsibility for the Financial Statements**

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control 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.

### **Auditors' 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those 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 directors, 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.

### **Qualification**

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

### **Opinion**

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the annual financial statements present fairly, in all material respects, the financial position of the company as of 28 February 2009, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973.

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**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's budget for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors are primarily responsible for the financial affairs of the company, they are supported by the company's external auditors.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of directors and signed on its behalf by:

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**A. L. Luscombe**

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**A. M. Okreglicki**

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**Date**

**PACE (ASSOCIATION INCORPORATED UNDER SECTION 21)  
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**DIRECTORS' REPORT**

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The directors submit their report for the year ended 28 February 2009.

**1. Review of activities**

**Main business and operations**

The company is a non-profit organisation and operates principally in South Africa. Its main object is to raise awareness and offer support to individuals and families with medical conditions that are or may be associated with sudden cardiac arrest.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

**2. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**3. Post balance sheet events**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

**4. Authorised and issued share capital**

The Company was incorporated under Section 21 of the Companies Act 1973, and accordingly does not have a share capital.

**5. Directors**

The directors of the company during the year and to the date of this report are as follows:

Name  
A. L. Luscombe  
A. M. Okreglicki  
P. A. Brink

**6. Auditors**

HLB Marx Gore will continue in office in accordance with section 270(2) of the Companies Act.

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**BALANCE SHEET**

		2009 R	2008 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	2,274	1,958
Intangible assets	3	11,229	15,346
		<b>13,503</b>	<b>17,304</b>
<b>Current Assets</b>			
Accounts receivable		49,251	(2)
Cash and cash equivalents		66,814	16,475
		<b>116,065</b>	<b>16,473</b>
<b>Total Assets</b>		<b>129,568</b>	<b>33,777</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		119,444	33,727
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Loan payable	4	50	50
Accounts payable		9,990	-
Bank overdraft		84	-
		<b>10,124</b>	<b>50</b>
<b>Total Equity and Liabilities</b>		<b>129,568</b>	<b>33,777</b>

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**INCOME STATEMENT**

	Note(s)	2009 R	2008 R
Donations		282,024	87,086
Operating expenses		(208,498)	(69,626)
<b>Operating profit</b>	5	<b>73,526</b>	<b>17,460</b>
Investment revenue		12,191	97
<b>Profit for the year</b>		<b>85,717</b>	<b>17,557</b>

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**STATEMENT OF CHANGES IN EQUITY**

	Accumulated surplus R	Total equity R
<b>Balance at 01 March 2007</b>	<b>16,170</b>	<b>16,170</b>
Changes in equity		
Surplus for the year	17,557	17,557
Total changes	17,557	17,557
<b>Balance at 01 March 2008</b>	<b>33,727</b>	<b>33,727</b>
Changes in equity		
Surplus for the year	85,717	85,717
Total changes	85,717	85,717
<b>Balance at 28 February 2009</b>	<b>119,444</b>	<b>119,444</b>

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**CASH FLOW STATEMENT**

	Note(s)	2009 R	2008 R
<b>Cash flows from operating activities</b>			
Cash receipts		232,773	36,627
Cash payments		(193,508)	(14,282)
Cash generated from operations	9	39,265	22,345
Interest income		12,191	97
<b>Net cash from operating activities</b>		<b>51,456</b>	<b>22,442</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1,201)	(2,350)
<b>Cash flows from financing activities</b>			
Movement in loan		-	(3,940)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(3,940)</b>
<b>Total cash movement for the year</b>		<b>50,255</b>	<b>16,152</b>
Cash at the beginning of the year		16,475	323
<b>Total cash at end of the year</b>		<b>66,730</b>	<b>16,475</b>

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**ACCOUNTING POLICIES**

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

**1.1 Property, plant and equipment**

The cost of an property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

<b>Item</b>	<b>Average useful life</b>
IT Equipment	3 years

**1.2 Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

<b>Item</b>	<b>Useful life</b>
Website	5 years

**1.3 Revenue**

Revenue is measured at the value of the consideration received and represents the amounts received for donations.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	2009 R	2008 R
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**2. Property, plant and equipment**

	2009			2008		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	3,550	(1,276)	2,274	2,350	(392)	1,958

**Reconciliation of property, plant and equipment - 2009**

	Opening Balance	Additions	Depreciation	Total
IT equipment	1,958	1,201	(885)	2,274

**Reconciliation of property, plant and equipment - 2008**

	Opening Balance	Additions	Depreciation	Total
IT equipment	-	2,350	(392)	1,958

**3. Intangible assets**

	2009			2008		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Website	22,458	(11,229)	11,229	22,458	(7,112)	15,346

**Reconciliation of intangible assets - 2009**

	Opening Balance	Amortisation	Total
Website	15,346	(4,117)	11,229

**Reconciliation of intangible assets - 2008**

	Opening Balance	Amortisation	Total
Website	19,838	(4,492)	15,346

**4. Loan payable**

P. A. Brink	(50)	(50)
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Unsecured, interest free loan with no fixed repayment terms arranged. Considered short term in nature.

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**Notes to the Annual Financial Statements**

	2009 R	2008 R
<b>5. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Amortisation on intangible assets	4,117	4,492
Depreciation on property, plant and equipment	885	392
Salaries and wages	81,190	-
	<b>81,190</b>	<b>-</b>
<b>6. Taxation</b>		
No provision has been made for 2009 tax as the Company has no taxable income. The Company is exempt from income tax in terms of Section 18A of the Income Tax Act.		
<b>7. Auditors' remuneration</b>		
Fees	4,742	3,591
	<b>4,742</b>	<b>3,591</b>
<b>8. Directors' emoluments</b>		
<b>A. L. Luscombe</b>		
2009	Emoluments	Total
In connection with the affairs of the Association	81,190	81,190
	<b>81,190</b>	<b>81,190</b>
<b>9. Cash generated from operations</b>		
Deficit before taxation	85,717	17,557
<b>Adjustments for:</b>		
Depreciation	5,002	4,884
Interest received	(12,191)	(97)
<b>Changes in working capital:</b>		
Accounts receivable	(49,254)	-
Accounts payable	9,991	1
	<b>39,265</b>	<b>22,345</b>

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**DETAILED INCOME STATEMENT**

	2009 R	2008 R
<b>Income</b>		
Interest received	12,191	97
Donations received	282,024	87,086
	<b>294,215</b>	<b>87,183</b>
<b>Operating expenses</b>		
Advertising	1,134	3,233
Auditors remuneration	7 4,742	3,591
Awareness and education expenses	44,834	-
Bank charges	3,582	1,835
Cleaning, refreshments and acknowledgements	150	-
Commission paid	4,500	-
Computer and internet expenses	4,267	707
Counselling fees	-	212
Depreciation	5,002	4,884
Donations	-	10,000
Events	-	2,178
General expenses	2,055	-
Legal expenses	428	-
Meetings	1,971	-
Postage	62	-
Printing and stationery	3,569	6,320
Professional fees	34,735	4,644
Refreshments	266	-
Repairs and maintenance	1,139	-
Salaries and wages	81,190	-
Subscriptions	84	-
Telephone and fax	6,647	-
Travel - local	2,994	27,277
Website expenses	5,147	4,745
	<b>208,498</b>	<b>69,626</b>
<b>Surplus for the period</b>	<b>85,717</b>	<b>17,557</b>