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## Financial report

The Financial Management was under the control and the management of Jan-Harm SCHUTTE from the beginning of the year up to November 2007 where I took over from him. The Financial Management was done on a very solid basis, despite the decreasing of the funds. In brief this year was characterized by a significant decrease or suspension of certain of our major donors. This was the result why we drop from R 1 425 129 to R 1 309 118 in income with a significant deficit of R 152 598

King's Hope Development Foundation has a sound financial system that is in accordance with the Generally Acceptance Accounting Practice in place and the manner required by the company. The external audit was also conducted by Lloyd du Plooy. This adds to the organization the transparency and trust.

King's Hope Development Foundation experiences the cash flow problem from time to time. This is because the government funding is some time paid in very late, while in the meantime the organization has to pay in time the salary and other related expenses. This created an unstable financial situation. To solve this thorny financial problem, the management is in the process of creating other sources of funding which can enable us to not constantly rely on Government funding. These sources are namely called income generating projects and made up of:

- Chicken and eggs (buying and selling)
- Business center (computer and internet café services)
- Jumble sale (2nd hand clothing and furniture)
- Recycling project (bottle and paper)
- Food provision and food production

We will need capital injection to kick-start this above mentioned programmes and donations in kind.

We hope that this current year, with all these activities put in place and believe that the renewal of contract with the Department of Health, concerning our four major programmes (Hospice, Home base care, People Living with HIV and Aids and VCT) can help and assist us in stabilizing our funds and finance.

It is, however, acknowledgeable and encouraging to know that King's Hope Development Foundation generate R 2 851 518 income this year (Including VCT funds) taking into account the difficult circumstance that the NGO institution encounter to raise funds. This is an indication of trust that the Government, the Business sector, the Churches and individuals have placed in King's Hope Development Foundation.

Thanks

The Financial Administrator

Seraphin Kengne