

**THE HEART & STROKE FOUNDATION OF BARBADOS INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2006**

# **THE HEART & STROKE FOUNDATION OF BARBADOS INC.**

## **DIRECTORS**

Mr. Drurard Symmonds	- President
Dr. Brian Charles	- Senior Vice President
Lt. Col. V.O. Springer	- Vice President Financial Services
Mr. Adrian J.L. Randall	- Secretary
Dr. Rowena Ahyee-Hallsworth	
Dr. David Corbin	
Ms. Sonia Connell	(Appointed April 18, 2006)
Mr. Ken DeSuze	(Resigned April 18, 2006)
Mr. Everson R. Elcock	(Resigned April 18, 2006)
Mrs. Angela Emtage	(Resigned April 18, 2006)
Prof. Trevor Hassell	
Mrs. Rosalind Jackson	
Mr. Dennis Kohke	(Resigned April 18, 2006)
Mr. Eric Layne	(Resigned April 18, 2006)
Mr. Terrance Mahon	(Appointed April 18, 2006)

## **CHIEF EXECUTIVE OFFICER**

Mr. Adrian J.L. Randall

## **LEGAL CONSULTANT**

Mr. Satcha Kissoon

## **BANKERS**

Barbados National Bank - Wildey

## **AUDITORS**

Ernst & Young  
Chartered Accountants

**REGISTERED CHARITY NUMBER: 82**

**REGISTERED COMPANY NUMBER: 269**

# **THE HEART & STROKE FOUNDATION OF BARBADOS**

## **Report of the Directors and Trustees for the year ended September 30, 2006**

### **GOVERNANCE**

The Heart & Stroke Foundation of Barbados Inc. is a non-profit organisation registered under the Companies Act 1982 of Barbados registration number 269. The Foundation was founded in 1985 as the Heart Foundation of Barbados and on April 18, 2006 expanded to include stroke and become the Heart & Stroke Foundation of Barbados.

The Company has no authorized share capital and is carried on without pecuniary gain to its members. Any surplus is used in furthering its undertakings. The Heart & Stroke Foundation of Barbados Inc. is a registered charity under the Charities Act 1972, registration number 82.

During 2006 the Board of Directors held a Retreat to further discuss policy matters, operational aspects, and produced the Strategic Plan for the period 2006 – 2009 and agreed the Annual Operational Plan 2006/7. These documents will guide our operation throughout the succeeding periods and future annual reports will report on the progress achieved in the key strategic areas of the plan.

The Board continued to meet monthly throughout the year ended September 30, 2006.

### **MISSION**

Our mission is to keep people heart healthy and reduce suffering and death from heart disease and stroke.

### **VISION**

To be:

- The leading organisation in Barbados for all heart and stroke matters
- The focal point for all national and national and regional healthy heart initiatives
- A major collaborator with all other organisations and individuals to advance the health of the people of Barbados
- Able to secure readily available funding sources from the private and public sectors
- A financially viable organisation

So that our achievements would be

- A significant decrease in the incidence of heart disease and stroke
- The provision of a heart disease and stroke information centre
- A significant contribution to reducing the adverse consequences of heart disease and stroke
- The most effective advocate possible towards the realisation of our Mission

## **ACTIVITIES**

There were forty seven persons admitted to the Cardiovascular Disease Prevention and Rehabilitation (CDP&R) programme during the year and the average number on the register was one hundred and ten. Attendance averaged 94% throughout 2006. The numbers registered were significantly down on 2005 due to the failure of the telemetry system in April 2006 leading to no new Phase 2 clients in the five months of the year.

Thanks to Lasco (Barbados) Limited and the Barbados Community Fund we were able to provide the CDP&R Programme to a larger number of indigent Barbadians than previously.

This was indeed was a year of challenges for CDP&R with several staff changes particularly the resignation of the Manager Mrs. Shirley Gill in January 2006. Mrs. Gill had led CDP&R since its inception. Mrs. Kim Clarke-Grant who had been Assistant Manager became Manager in February 2006.

The Heart Smart Fitness Challenge sponsored by DaCosta Mannings was officially launched on the Road Runner radio program on the 15<sup>th</sup>, May 2006. The program concluded on the 15<sup>th</sup>, August 2006.

Perhaps the most momentous event during the year for CDP&R was the signing of a contract with the Ministry of Health on September 21, 2006 for the expansion of a cardiovascular rehabilitation programme. This will enable patients, assessed and referred from the Queen Elizabeth Hospital, who would not otherwise be able to take advantage of this programme owing to financial ability, to be able to benefit from this vital after care service following heart attack or other major cardiac event.

The main goal of the CDPR Programme is excellent service that would make a lifelong positive impact on the lives of those who enter the programme. How to achieve this goal and reach as many individuals as possible has been the main focus of the staff however efforts have been met with varying measures of success. It is highly desirable that during the upcoming year we continue to put measures in place to bring the programme up to the standard set by the American Association of Cardiovascular and Pulmonary Rehabilitation and be registered with that organization.

There has been a significant increase in the number of training courses organised by the Emergency Cardiac Care (ECC) division during the year particularly since the

appointment of Mrs. Gina Pitts as the first ECC Manager. This is especially so in the area of first aid, which can be accounted for by a change in the Health and Safety legislation. This effectively made first aid provision mandatory. Following up on all enquires quickly with a proposal and a structured execution of the courses has vastly improved the number of courses carried out.

The ECC Manager is ably backed up by a cadre of 15 active basic cardiac life support (BCLS), and 8 advanced cardiac life support, volunteer instructors, who assist with courses both locally and overseas.

Our volunteer instructors, continue to be essential to course delivery, however as they are all working full time, the time they can devote to the Heart & Stroke Foundation, is often restricted, especially for National events.

The Chairman of our ECC Committee has worked assiduously to seek overseas contracts and this is reflected in the course numbers for overseas. In this annual period, St. Lucia, Trinidad and St. Kitts have signed formal contracts to become Training Centres. Additional work has been done on behalf of Cricket World Cup in Antigua.

The annual period also reflects that the instructors trained to take on the role of BCLS instructors within the Queen Elizabeth Hospital, (QEH) completed their training and monitoring, with an initial complement of 4 instructors. A formal contract now needs to be instigated for the QEH to become a training centre.

Now for a quick look back at some of the other achievements of the last year.

- Embraced stroke to become the Heart & Stroke Foundation
- Launched a brand new logo and image thanks to S.O.J.E./Lonsdale
- Introduced, courtesy of Banks Holdings Ltd., a full page monthly advertorial HSF B PULSE in the Nation
- Re-launched the website on September 18, 2006 – [www.hfob.org](http://www.hfob.org)
- Gained sponsorship for three editions of Heartline from Super Centre, Digicel and Scotia Bank increasing its circulation from 3,000 to 3,500
- Continued a weekly interview series on CBC's The Chat Room
- Increased significantly press coverage in both The Advocate and Daily Nation
- Held our second fundraising concert, An evening of music, at Holders, sponsored by Royal Bank of Canada
- Continued the Healthy Lifestyle Seminar for Business and Professional Executives thanks to sponsorship from Sagicor General Insurance Inc
- Participated in the Kiwanis "Silver Dollars for Children" appeal for the second year
- Promoted the Heart Smart TV campaign funded by Cingular Wireless
- Transformed the World Heart Day event into Barbados Heart & Stroke Week with considerable assistance from sponsors Guardian Life of the Caribbean

All these objectives could not have been achieved without financial support. Our continuing thanks go to our major sponsors Collins Ltd. and Stokes & Bynoe Ltd who provide significant annual support to our ongoing initiative to expand the Heart Health and Wellness Profile "Taking it to the Next Level"

## **INCOME AND EXPENDITURE**

The 2006 financial statements of the incorporated charity have, like those for 2005, been prepared under the historical cost convention on an accruals basis.

It was another good year for the Foundation with income being above that achieved in 2005 at \$813K (2005 - \$758K) but not as good as the growth achieved between 2004 and 2005.

Covenants and donations rose by \$12K to \$173K (2005 - \$42K to \$161K) but with donations showing the larger increase.

Overall fee income rose significantly by \$77K i.e. 32% due to considerably increased activity within ECC which saw an increase in fee income of 105% to \$140K (2005 – fell by 15% to \$68K). However CDP&R suffered its lowest year on year increase with fee income rising by only 3% to \$179K (2005 –40% to \$174K) which was primarily due to fewer new clients enrolling.

Fundraising rose by \$16K to \$46K in 2006 with no new events introduced in the year.

Heartline continued to perform ahead of target with advertising income up per edition and sponsorship income significantly increased. It is worth noting that in 2005 there were five editions compared with four in 2006. However despite a rise in the circulation and an increased number of pages whilst the cost of production per edition continued to rise because there were only four editions in 2006 a profit was achieved. This was \$14K against a loss of \$1K in 2005.

Unfortunately fewer large Special Projects led to a significant reduction in income down by \$60K to \$101K from \$161K the year before. The number of projects remained constant at seven but the largest contribution from the ECC Conference fell from \$95K to \$31K. In 2005 we hosted the conference here in Barbados earning significant sponsorship whilst in 2006 the conference was held in St. Lucia which benefited.

Total expenditure rose \$49K (2005 - \$316K) to \$783K (2005 - \$734K) with the largest increase being in Salaries \$90K. The only other major increase occurred in Loan Interest \$7K.

The most significant reduction in expenditure was on Special Projects down by \$41K with just \$17K spent on the ECC Conference,

Therefore the surplus recorded for the year rose above that of \$24K achieved in 2005 by 27% to \$30K.

## **BALANCE SHEET**

The only capital expenditure in 2006 was for additional laptop computers.

In last year's report we commented that:

"However as a word of warning whilst project income received in advance of \$179K (2004 - \$103K) has been banked it has not been included in the Income and Expenditure but deferred to 2006 and is included on the Balance Sheet under Accounts payable, accruals and prepaid receipts.

Therefore it is most likely that as projects for which funds were received in 2005 are carried out in 2006 that the cash reserves will be substantially reduced."

This is borne out by the much lower levels of cash reserves at the end of 2006. This is accounted for by the significant reduction in the level of Accounts payable, accruals and prepaid receipts. Therefore the Foundation ended the year with a much reduced bank balance standing at \$57K (2005 - \$117K).

## **INDEPENDENT ACCOUNTANTS**

Ernst and Young will be proposed for re-election at the Annual General Meeting on April 24, 2007 as independent accountants.

By order of the Board

Adrian J. L. Randall  
Secretary

Date: January 18, 2007

## **REVIEW REPORT**

To the members of the Heart & Stroke Foundation of Barbados

We have reviewed the accompanying balance sheet of the Heart Foundation of Barbados as at September 30, 2006 and the related statements of income and expenditure, and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our review.

We conducted our review in accordance with International Standards on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects in accordance with International Financial Reporting Standards.

CHARTERED ACCOUNTANTS

Barbados  
February 28, 2007



## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2006

	NOTES	2006 \$	2005 \$
<b>Income</b>			
Bank Interest		4,248	2,731
Covenants and Donations	2	172,536	160,570
Fees	3	319,039	242,399
Fundraising	4	56,427	46,467
Heartline		63,626	54,202
Membership Subscriptions		6,290	3,830
Rent		87,350	84,900
Sales		2,408	2,022
Special Projects	5	100,804	160,698
		<hr/>	<hr/>
<b>Total</b>		812,728	757,819
<b>Less: Expenditure</b>	6	782,667	734,133
		<hr/>	<hr/>
Surplus		30,061	23,686
Funds brought forward at October 1		332,913	309,227
		<hr/>	<hr/>
Funds carried forward at September 30		362,974	332,913
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements

# THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

## BALANCE SHEET AS AT SEPTEMBER 30, 2006

	Notes	2006 \$	2005 \$
Fixed Assets	7	872,872	890,536
		<u>                    </u>	<u>                    </u>
Current Assets			
Accounts receivable and prepaid expenses	8	67,983	64,806
Cash at bank and in hand	9	57,083	137,245
		<u>                    </u>	<u>                    </u>
		125,066	202,051
Accounts payable, accruals and prepaid receipts	10	(172,103)	(219,491)
		<u>                    </u>	<u>                    </u>
Net Current (Liabilities)/ Assets		(47,037)	(17,440)
		<u>                    </u>	<u>                    </u>
Long-term liabilities			
Deferred income	11	(200,000)	(240,000)
Loan	12	(262,861)	(300,183)
		<u>                    </u>	<u>                    </u>
		(462,861)	(540,183)
		<u>                    </u>	<u>                    </u>
Net Assets		362,974	332,913
		<u>                    </u>	<u>                    </u>
Represented by:			
General Fund		362,974	332,913
		<u>                    </u>	<u>                    </u>

The accompanying notes form an integral part of these financial statements

The financial statements on pages 1 to 17 were approved by the Board on January 18, 2007 and signed on their behalf by:

H.D. Symmonds  
President

V. O. Springer  
Vice President, Financial Services

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2006

	2006 \$	2005 \$
<b>Cash flow from operating activities</b>		
Surplus	30,061	23,686
Depreciation	28,421	50,250
(Increase) in accounts receivable and prepayments	(3,177)	(45,871)
(Decrease)/Increase in accounts payable and accruals	(47,388)	116,966
	<hr/>	<hr/>
Net cash in flow from operating activities	7,917	145,031
<b>Cash flow from investing activities</b>		
Capital expenditure	(12,054)	(16,841)
Disposal of fixed assets	1,297	-
<b>Cash flow from financing activities</b>		
Deferred income	(40,000)	(40,000)
Long-term loan repayment	(37,322)	(40,271)
	<hr/>	<hr/>
Net cash (out)/inflow	(80,162)	47,919
<b>Cash at bank</b> as at October 1	137,245	89,326
	<hr/>	<hr/>
<b>Cash at bank and in hand</b> as at September 30	<u>57,083</u>	<u>137,245</u>

The accompanying notes form an integral part of these financial statements

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 1. Accounting policies

##### a) **Basis of preparation**

The 2006 financial statements of the incorporated charity have been prepared under the historical cost convention on an accruals basis in accordance with International Financial Reporting Standards.

##### b) **Income**

In 2006 all income to which the charity is legally entitled has been included in the statement of income and expenditure, with the exception of income received in advance such as covenants and that for projects due to take place in 2007. This deferred income has been included in accounts payable, accruals and prepaid receipts on the Balance Sheet.

##### c) **Expenditure**

In 2006 all expenditure is accounted for on an accruals basis.

##### d) **Fixed assets and depreciation**

Individual assets are capitalised and stated at cost including any incidental costs of acquisition. Depreciation is provided on all fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives. The rates are as follows:

Building	- over 50 years	- 2% per annum
Computers	- over 3 years	- 33.33% per annum
Equipment	- over 5 years	- 20% per annum
Furniture	- over 10 years	- 10% per annum

##### e) **Taxation**

No taxation has been provided in these accounts because the charity is a registered benevolent organisation accepted by the Commissioner of the Inland Revenue.

##### f) **Deferred income**

On the Balance Sheet, under long-term liabilities, 'deferred income' relates to the balance on a long-term donation given to Foundation by the Barbados National Bank in 2002, which is being amortised over a ten year period. See further Note 11.

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 2. Covenants and Donations

	<b>2006</b>	<b>2005</b>
	\$	\$
Covenants	63,150	58,617
Donations	109,386	101,953
	<u>172,536</u>	<u>160,570</u>

#### 3. Fees

	<b>2006</b>	<b>2005</b>
	\$	\$
Cardiovascular Disease Prevention & Rehabilitation (CDP&R) Programme	178,575	174,002
Emergency Cardiac Care (ECC) Courses	140,464	68,397
	<u>319,039</u>	<u>242,399</u>

#### 4. Fundraising

<b>Income</b>	<b>2006</b>	<b>2005</b>
	\$	\$
Bingo	28,250	14,107
Cardiac Support Group (CSG) lunch	-	7,129
Concert	21,177	25,231
Silver Dollars for Children	7,000	-
	<u>56,427</u>	<u>46,467</u>

In 2005 income was shown gross, except CSG lunch, for the first time. See further Note 6a.

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 5. Special Projects

	2006	2005
Income	\$	\$
Care for Life	-	34,043
Cricket World Cup 2007	5,700	-
5 <sup>th</sup> /4 <sup>th</sup> ECC Conference	30,610	95,043
FCTC PSA DVD	1,994	-
Health Fairs	1,200	250
Healthy Lifestyle Extravaganza	-	62
Healthy Lifestyle Seminar	16,300	4,950
Media Campaign	38,000	7,000
World Heart Day	7,000	9,350
	<u>100,804</u>	<u>160,698</u>

See Note 6b for expenditure on Special Projects.

#### 6. Expenditure

	2006	2005
	\$	\$
Bad and Doubtful Debts	14,078	4,912
Building Maintenance	7,613	16,618
Depreciation	28,421	50,250
Electricity	21,362	18,467
Fundraising (Note 6a)	28,953	37,556
Heartline	49,540	54,927
Insurance	14,040	12,190
Loan interest	30,226	22,557
Lunches (ECC)	8,152	3,546
Materials (ECC)	49,677	20,147
Postage	1,267	3,996
Publicity	11,569	8,334
Rehab supplies (CDP&R)	3,961	6,097
Salaries and Severance	<u>339,595</u>	<u>250,224</u>
Sub total carried forward	608,454	509,821

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 6. Expenditure (continued)

	2006	2005
	\$	\$
Sub total brought forward	608,454	509,821
Special Projects (Note 6b)	68,333	109,500
Stationery	9,999	12,459
Stipends	21,134	31,495
Subscriptions	5,003	4,025
Technical Support	10,663	14,721
Telephone	7,490	6,723
Training	4,470	11,066
Travel	3,040	400
Treadmill and other Tests (Note 6c)	11,650	13,995
Sub total	<u>750,236</u>	<u>714,205</u>
Other	32,430	19,928
	<u>782,667</u>	<u>734,133</u>
6a Fundraising		
Bingo	21,168	6,676
Concert	6,778	20,900
Raffle	-	8,849
Silver Dollars for Children	1,007	1,131
	<u>28,953</u>	<u>37,556</u>

In 2005 income/expenditure were shown gross, except for CSG Lunch, for the first time. See further Note 4.

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 6. Expenditure (continued)

	2006	2005
	\$	\$
6b Special Projects		
Care for Life	345	24,012
5 <sup>th</sup> /4 <sup>th</sup> ECC Conference	16,504	66,967
Cricket World Cup	2,413	-
FCTC PSA DVD	1,651	-
Health Fairs	-	-
Healthy Lifestyle Extravaganza	-	1,175
Healthy Lifestyle Seminar	6,769	8,068
Life Education Centre – NCSA	5,000	
Media Campaign	35,057	6,313
World Heart Day	594	2,965
	<hr/>	<hr/>
	68,333	109,500
	<hr/>	<hr/>

6c. Treadmill and other Tests that are provided free of charge to the CDPR Programme were included in the accounts both as income (donations) and expenditure for the first time in 2005.



## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 7. Fixed Assets

	Building \$	Computer \$	Equipment \$	Furniture \$	Total \$
<b>Cost</b>					
October 1 2005	960,264	7,783	135,597	13,327	1,116,971
Additions	-	6,998	2,138	2,918	12,054
Disposals	-	(3,891)	-	-	(3,891)
September 30 2006	<u>960,264</u>	<u>10,890</u>	<u>137,735</u>	<u>16,245</u>	<u>1,125,134</u>
<b>Depreciation</b>					
October 1, 2005	90,573	2,594	127,078	6,190	226,435
Charge for year	19,207	4,927	2,663	1,624	28,421
Disposals	-	(2,594)	-	-	(2,594)
September 30 2006	<u>109,780</u>	<u>4,927</u>	<u>129,741</u>	<u>7,814</u>	<u>252,262</u>
<b>Net book value</b>					
September 30, 2006	<u>850,484</u>	<u>5,189</u>	<u>7,994</u>	<u>8,431</u>	<u>872,872</u>
September 30, 2005	<u>869,691</u>	<u>5,963</u>	<u>8,519</u>	<u>7,137</u>	<u>890,536</u>

Note: The Barbados National Bank holds a mortgage on the building (Note 12).

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 8. Accounts receivable and prepaid expenses

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	62,108	57,431
Less Provision for doubtful debts	4,000	4,000
	<u>58,108</u>	<u>53,431</u>
Prepayments	9,875	11,375
	<u>67,983</u>	<u>64,806</u>
	<u><u>67,983</u></u>	<u><u>64,806</u></u>

In 2005 monthly invoicing of the CDP&R programme clients was introduced in respect of the fees due. Previously these fees were accounted for on a receipts basis.

#### 9. Cash at bank

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Main Account - BNB Wildey	56,797	136,988
Cash in hand	286	257
	<u>57,083</u>	<u>137,245</u>
	<u><u>57,083</u></u>	<u><u>137,245</u></u>

In 2005 all the bank accounts were merged into one.

## THE HEART & STROKE FOUNDATION OF BARBADOS, INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2006

#### 10. Accounts payable, accruals and prepaid receipts

	2006 \$	2005 \$
Accounts payable	9,011	22,355
Accruals	49,326	17,989
Received in advance	113,766	179,147
	<u>172,103</u>	<u>219,491</u>

#### 11. Deferred income

This amount represents a balance of a 10 year convertible interest free demand loan obtained from Barbados National Bank, which is to be reduced by way of annual donations of \$40,000 which began on 14<sup>th</sup> February 2002.

#### 12. Loan

The loan was obtained from Barbados National Bank to assist with the construction of the building. The loan is repayable over 10 years.

During the year interest was charged at the bank's prime floating rate of 7.25%. Upon the default of this loan the deferred income (note 11) becomes re-payable to the bank