

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

**Financial statements**

30 September 2008

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Contents

30 September 2008

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	Page
Corporate information	1 to 2
Report of the directors and trustees	3 to 5
Independent auditors' report	6 to 7
Balance sheet	8
Statement of income and expenditure and changes in funds	9
Statement of cash flows	10
Notes to financial statements	11 to 19

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Corporate information

30 September 2008

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### Directors

Dr Stephen Moe	- (President appointed 18 April 2008)
Mr Drurard Symmonds	- (Immediate Past President)
Dr Rowena Ahyee-Hallsworth	- (Senior Vice President)
Lt. Col. V Owen Springer	- (Vice President Financial Services)
Ms Sonia Connell	
Mr Humphrey Metzgen	- (appointed 1 October 2008)
Mrs Ena Harvey	
Professor Trevor Hassell	
Dr David Corbin	
Mr Charles Holder	- (appointed 18 April 2008)
Mr Terrance Mahon	- (resigned 20 June 2008)
Mr Adrian Randall	

### Secretary/Chief Executive Officer

Mr Adrian Randall

### Registered office

#3 Railway View  
Ladymeade Gardens  
Jemmotts Lane  
St Michael  
Barbados

### Bankers

Barbados National Bank  
Willey  
St Michael  
Barbados

### Auditors

Deloitte & Touche  
The Phoenix Centre  
George Street  
St Michael  
Barbados

### Attorney-at-law

Mr Satcha Kissoon  
Heritage House  
Pinfold Street  
Bridgetown  
Barbados

Registered Charity number: 82

Registered Company number: 269

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Report of the Directors and Trustees

For the year ended 30 September 2008

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### **GOVERNANCE**

The Heart & Stroke Foundation of Barbados Inc. is a not-for-profit organisation registered under the Companies Act 1982 of Barbados registration number 269. The Foundation was set up 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 2008 the Board of Directors held a Retreat to further discuss policy matters, operational aspects, and revised the Strategic Plan for the period 2006 – 2009 which led to the Annual Operational Plan 2007/8. 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 met on nine occasions during the year ended September 30, 2008.

### **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 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

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Report of the Directors and Trustees (continued)

For the year ended 30 September 2008

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### ACTIVITIES

#### *Cardiovascular Disease Prevention and Rehabilitation (CDP&R)*

The CDP&R programme provides specific rehabilitation through regular, prescribed and monitored exercise, dietary and psychological counselling and the education of persons who have had heart surgery, a heart attack, heart failure, a stroke or are at risk of the foregoing.

There were one hundred and forty-eight persons admitted to the Cardiovascular Disease Prevention and Rehabilitation (CDP&R) programme during the year, fifty-nine of whom were admitted under the MOH contract. The one hundred and forty-eight persons is an increase on the previous year of 35% (2007 98%) and the average number on the register throughout the year 2007/8 was one hundred and seventy-seven (2007 one hundred and thirty-eight). As at October 1, 2007 there were one hundred and sixty-one persons on the register and this had risen to one hundred and ninety-three by the year end of 30 September, 2008.

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

The main goal of the CDP&R Programme is the provision of an 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 our intention that during the upcoming year we continue the training commenced in 2007/8 to put measures in place to bring the programme up to the standard set by the American Association of Cardiovascular and Pulmonary Rehabilitation (AACVPR). This will enable the Foundation to become the first Caribbean organisation to be registered with AACVPR.

#### *Emergency Cardiac Care (ECC)*

ECC runs a number of CPR courses ranging from basic first aid to advanced cardiac life support for the general public to the medical practitioner. Considerably more courses were arranged in 2007/8 than were in 2006/7.

Three hundred and two courses were carried out in house and nine hundred and nine persons were trained for the period October 2007 to September 2008 whilst our instructors carried out 12 private courses and one hundred and sixty-one persons were trained. Heart Savers First Aid remained the most prevalent followed by BLS HCP. There was only one PALS course and we will be working on increasing the number of PALS courses next year. Training material has already been bought in preparation for this goal.

#### *Advocacy*

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

- Awarded, in conjunction with three other Caribbean NGOs, a significant grant from the Bloomberg Global Initiative on Tobacco Control for a project to "Introduce a Picture-Based Health warning System on Cigarette Packages for CARICOM" in the two years 2008-2010.
- Continued, courtesy of Banks Holdings Ltd., a full page monthly advertorial HSF&R PULSE in the Daily Nation
- Gained sponsorship for one edition of Heartline from SBI whilst increasing its circulation from 4,000 to 5,000
- Continued a weekly interview series on CBC's The Chat Room until CBC ceased broadcasting this programme
- Increased significantly press coverage in both The Advocate and Daily Nation
- Held our fourth fundraising concert, An Evening of Music, at Holders, sponsored by Royal Bank of Canada

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Report of the Directors and Trustees (continued)

For the year ended 30 September 2008

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### ACTIVITIES (continued)

- Took Barbados Heart & Stroke Week to new heights with considerable assistance from sponsors, Guardian Life of the Caribbean
- Spread the healthy lifestyle message to primary school children via the Aries Technology CD ROM series
- Increased significantly the outreach programme through the number of health fairs held.

### Thanks

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".

Also thanks of course goes to all those others who supported the Foundation by covenant, donation, membership, attending fundraising events or just giving of their time – it all helps us to fulfil our mission.

### INCOME AND EXPENDITURE

The 2008 financial statements of the incorporated charity have, like those for 2005, 2006 and 2007, been prepared under the historical cost convention on an accruals basis.

Income was below that achieved in 2007 at \$878K (2007 - \$1.1m) although with \$215K being a grant for capital expenditure in 2007, the true comparative income figure for 2007 is \$865K. Revenue income actually rose marginally by \$13K, in other words virtually static!

Covenants and donations fell by \$17K (10%) to \$154K (2007 - \$171K) with donations down by \$8K and covenants down by \$9K as certain corporates renewed at lower amounts.

Overall fee income rose, but not as significantly as in 2007, by \$53K (2007 - \$110K) i.e. 12% (2007 - 34%). CDP&R fee income increased by a magnificent 50% to \$292K (2007 - 9% to \$195K) which was primarily due to QEH referrals under the MOH contract reaching the maximum level agreed and being maintained. Somewhat disappointingly, fee income in ECC fell away dramatically in 2008; down from a high in 2007 of \$234K to \$189K in 2008. 2007 was an exceptionally good year for ECC in respect of overseas courses, thanks mainly to preparations for Cricket World Cup, which was not repeated in 2008.

Fundraising net income fell by \$10K to \$49K in 2008 as no raffle was organised. The most successful event was the fundraising concert at Holders which netted \$30K.

Heartline had a better year in 2008 than 2007 recording a small surplus of \$4K (Deficit 2007 \$3K) as advertising revenue was increased by \$6K and costs of production were reduced by \$1K although circulation rose by 500 (11%) per edition.

Unfortunately, fewer large Special Projects led to a significant reduction in income down by \$23K to \$29K from \$52K the year before. The number of projects fell from six to four with no Healthy Lifestyle Seminar or Cricket World Cup. In 2008 there was a significant increase in Expenditure on Special Projects by \$29K to \$49K from \$20K to utilise the surpluses achieved in 2006 and 2007. Additionally a loss was incurred on the ECC conference held early in the year leading to an overall deficit of \$20K on Special Projects.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Report of the Directors and Trustees (continued)

For the year ended 30 September 2008

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Total expenditure rose by some \$119K (2007 - \$19K) to \$921K (2007 - \$802K) with the largest increase being in salaries up \$88K. The only other major increase occurred in Special Projects \$29K as referred to above. These increases were partially offset by reductions in expenditure on ECC course materials down by \$17K.

The overall deficit recorded for the year was some \$43K (2007 - surplus \$278K of which \$215 can be attributed to the capital grant).

### **BALANCE SHEET and CASH FLOW STATEMENT**

The cash flow worsened during the year, as predicted in last year's report, with our bank balance falling by some \$40K however this is still in excess of \$100K thanks primarily to receipts in advance of the Healthy Caribbean 2008 Conference.

Changes during the year include \$34K spent on Fixed Assets, and increases in both Accounts Receivable and Payable.

Accounts receivable and prepaid expenses were up some \$94K mainly as a result of expenditure incurred during the year which related to the Healthy Caribbean 2008 Conference which took place after the year end on October 16-18.

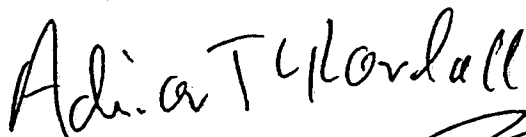
Current liabilities rose in the year by \$117K primarily due to carrying forward funding received in advance for the Healthy Caribbean 2008 Conference whilst long term liabilities continued to fall as we reduced our indebtedness to BNB by \$58K in respect of the mortgage on the building.

2008/9 is also forecast to see a further drain on cash resources as it becomes increasingly difficult to raise sponsorship finance from Corporate Barbados to fund ongoing projects. It is therefore anticipated that the cash reserves will be substantially reduced again by the year end.

### **INDEPENDENT AUDITORS**

Deloitte & Touche, having indicated their willingness, will be proposed for re-election at the Annual General Meeting on April 16, 2009 as auditors.

By order of the Board



Mr Adrian J. L. Randall  
Secretary

Date: 14 April 2009

## **Independent auditors' report**

To the members of Heart & Stroke Foundation of Barbados Inc.

We have audited the accompanying financial statements of Heart & Stroke Foundation of Barbados Inc., which comprise the balance sheet as of 30 September 2008, and the related statement of income and expenditure, statement of changes in members' fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Independent auditors' report (continued)

To the members of Heart & Stroke Foundation of Barbados Inc.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Heart & Stroke Foundation of Barbados Inc. as of 30 September 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Deloitte & Touche*

14 April 2009

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Balance sheet


As at 30 September 2008

(expressed in Barbados dollars)

	Notes	2008	2007
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank and in hand	12	\$ 103,763	\$ 143,590
Accounts receivable and prepaid expenses	11	<u>139,612</u>	<u>46,103</u>
		243,375	189,693
<b>Property, plant and equipment</b>	10	<u>966,166</u>	<u>1,004,113</u>
		<b>\$ <u>1,209,541</u></b>	<b>\$ <u>1,193,806</u></b>
<b>Liabilities and General Fund</b>			
<b>Current liabilities</b>			
Accounts payable, accruals and prepaid receipts	13	\$ 321,211	\$ 173,624
Deferred income	14	<u>120,000</u>	<u>160,000</u>
Current portion of long term loan		<u>56,357</u>	<u>47,020</u>
		497,568	380,644
<b>Long-term loan</b>	15	<u>113,364</u>	<u>171,806</u>
		610,932	552,450
<b>Fund</b>			
General fund		<u>598,609</u>	<u>641,356</u>
		<b>\$ <u>1,209,541</u></b>	<b>\$ <u>1,193,806</u></b>

The accompanying notes form an integral part of these financial statements.

Approved on 14 April 2009 by the Board.

  
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 Dr Stephen Moe

President



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Lt. Col. V. Owen Springer

Vice President  
 Financial Services

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Statement of income and expenditure and changes in fund

For the year ended 30 September 2008

(expressed in Barbados dollars)

	Notes	2008	2007
<b>Income</b>			
Bank interest		\$ 5,143	\$ 3,854
Covenants and donations	4	154,404	171,681
Fees	5	481,711	428,571
Fundraising	6	49,491	59,458
Grant	7	19,251	215,000
Heartline		57,442	51,773
Membership subscriptions		3,190	7,678
Rent		76,533	87,600
Sales		1,951	2,364
Special projects	8	<u>29,229</u>	<u>52,484</u>
<b>Total</b>		878,345	1,080,463
<b>Less: Expenditure</b>	9	<u>921,092</u>	<u>802,081</u>
(Deficit) surplus		(42,747)	278,382
General fund brought forward at 1 October 2007		<u>641,356</u>	<u>362,974</u>
General fund carried forward at 30 September 2008		\$ <u>598,609</u>	\$ <u>641,356</u>

The accompanying notes form an integral part of these financial statements.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Statement of cash flows

For the year ended 30 September 2008

(expressed in Barbados dollars)

	Notes	2008	2007
<b>Operating activities</b>			
(Deficit) surplus		\$ (42,747)	\$ 278,382
Adjustments for:			
Depreciation		71,911	67,006
(Increase) decrease in accounts receivable and prepaid expenses		(93,509)	21,880
Increase in accounts payable, accruals and prepaid receipts		147,587	1,521
Decrease in deferred income		<u>(40,000)</u>	<u>(40,000)</u>
<i>Net cash from (used in) operating activities</i>		<u>43,242</u>	<u>328,789</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		<u>(33,964)</u>	<u>(198,247)</u>
<i>Net cash used in operating activities</i>		<u>(33,964)</u>	<u>(198,247)</u>
<b>Financing activities</b>			
Long-term loan repayment		<u>(49,105)</u>	<u>(44,035)</u>
<i>Net cash used in financial activities</i>		<u>(49,105)</u>	<u>(44,035)</u>
Net cash (outflow) inflow		(39,827)	86,507
Cash at bank and in hand as at 1 October		<u>143,590</u>	<u>57,083</u>
Cash at bank and in hand as at 30 September		\$ <u>103,763</u>	\$ <u>143,590</u>

The accompanying notes form an integral part of these financial statements.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

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### 1. Incorporation and principal activity

Heart & Stroke Foundation of Barbados Inc. ("the Foundation") is incorporated as a not-for-profit company under the Companies Act of Barbados and has been registered as a charity in accordance with the Charities Act of Barbados.

The mission of the Foundation is to keep people heart healthy and reduce suffering and death from heart disease and stroke.

### 2. Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect. Significant accounting policies are as follows:

#### Basis of accounting

The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Critical accounting estimates and judgments

The Foundation makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These accounting estimates will, by definition, seldom equal the related actual results. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The Foundation's directors do not believe that there are 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.

At the date of authorisation of these financial statements, the following Standards were in issue but not yet effective.

IAS 1	<i>Presentation of financial statements – Comprehensive revision including requiring a statement of comprehensive income</i>	Effective for annual periods beginning on or after 1 January 2009
IAS 1	<i>Presentation of financial statements - Amendments resulting from May 2008 annual improvements to IFRSs</i>	Effective for annual periods beginning on or after 1 January 2009
IAS 16	<i>Property, plant and equipment - Amendments resulting from May 2008 annual improvements to IFRSs</i>	Effective for annual periods beginning on or after 1 January 2009

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

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### 2. Accounting policies (continued)

IAS 23	<i>Borrowing costs – Comprehensive revision to prohibit immediate expensing</i>	Effective for borrowing costs relating to qualifying assets for which the commencement date for capitalisation of assets is after 1 January 2009
IAS 36	<i>Impairment of assets - Amendments resulting from May 2008 annual improvements to IFRSs</i>	Effective for annual periods beginning on or after 1 January 2009
IAS 39	<i>Financial instruments: Recognition and measurement - Amendments resulting from May 2008 annual improvements to IFRSs</i>	Effective for annual periods beginning on or after 1 January 2009

The directors anticipate that all of the above Standards will be adopted in the Foundation's financial statements and that the adoption of those Standards will have no material impact on the financial statements of the Foundation in the period of initial application.

### 3. Significant accounting policies

#### Income

All income to which the Foundation is legally entitled has been included in the statement of income and expenditure and changes in fund, with the exception of income received in advance such as covenants and that for projects due to take place in following periods. Such income has been included in "Accounts payable, accruals and prepaid receipts" or separately disclosed as "Deferred income" on the Balance Sheet.

#### Financial instruments

Financial assets are recognised in the financial statements when the Foundation becomes a party to the contractual provisions of the instruments. The Foundation's financial assets consist of accounts receivable which have been classified as "loans and receivables". These have been measured at cost using the effective interest method, less any impairment.

Financial assets are assessed for impairment at each balance sheet date.

#### Impairment

The carrying amounts of financial assets are reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When a receivable balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of income.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

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### 3. Significant accounting policies (continued)

#### Financial liabilities and equity instruments issued by the Company

##### *Classification as debt or equity*

Debt and equity instruments are classified as either "other financial liabilities" or as "equity" in accordance with the substance of the contractual arrangement.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Other financial liabilities*

The Foundation's principal financial liabilities are measured at cost and include accounts payable and accrued liabilities.

#### Revenue recognition

All income is recognised when due. Interest is recorded on the accrual basis.

#### Property, plant and equipment 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

#### Taxation

The Foundation is a registered as a benevolent organisation with the Department of Inland Revenue and as a charity under the Charities Act, and accordingly is not subject to taxation in Barbados.

#### Deferred income

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 Note 14.

### 4. Covenants and donations

	2008	2007
Covenants	\$ 59,050	\$ 68,383
Donations	<u>95,354</u>	<u>103,298</u>
	\$ <u>154,404</u>	\$ <u>171,681</u>

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

5. Fees	2008	2007
Cardiovascular Disease Prevention & Rehabilitation (CDP&R) programme	\$ 292,271	\$ 194,952
Emergency Cardiac Care (ECC) courses	<u>189,440</u>	<u>233,619</u>
	<u>\$ 481,711</u>	<u>\$ 428,571</u>
6. Fundraising	2008	2007
<b>Income</b>		
British Women's Club event	\$ 630	\$ -
Chinese auction	1,245	1,660
Concerts	33,897	23,418
Fish suppers	2,955	-
Movie premiere	-	5,830
Ocean Park – valentine auction	7,764	4,031
Raffle	-	14,925
Silver dollars for children	3,000	9,334
Sponsored walk	<u>-</u>	<u>260</u>
	<u>\$ 49,491</u>	<u>\$ 59,458</u>
See further Note 9a for expenditure on Fundraising.		
7. Grant		
During the year ended 30 September 2008, \$19,251 was received from the Bloomberg Foundation to support the Tobacco Control Project. In 2007, \$215,000 was received from the Ministry of Health to purchase capital equipment to support the contract to expand and develop the cardiovascular rehabilitation service run by the Foundation.		
8. Special projects	2008	2007
<b>Income</b>		
Barbados Heart & Stroke Week (World Heart Day)	\$ -	\$ 6,000
CDP&R Staff Training	9,450	-
Cricket World Cup 2007	-	17,790
Diaries	1,280	1,067
Health fairs	17,735	10,127
Healthy Lifestyle seminar	-	12,000
Media campaign	-	-
Michael Clarke fund	-	5,500
Worksite Programme	<u>764</u>	<u>-</u>
	<u>\$ 29,229</u>	<u>\$ 52,484</u>
See Note 9b for expenditure on Special Projects.		



# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

<b>9. Expenditure</b>	<b>2008</b>	<b>2007</b>
	\$ 7,498	\$ 5,845
Bad and doubtful debts	13,883	6,763
Building maintenance	71,911	67,006
Depreciation	31,017	21,803
Electricity	8,385	4,023
Entertaining	4,095	7,149
Equipment maintenance	4,443	6,031
Fundraising (Note 9a)	53,640	54,738
Heartline	14,649	14,942
Insurance	20,146	25,450
Loan interest	11,640	6,740
Lunches (ECC)	77,837	95,079
Materials (ECC)	11,178	9,793
Publicity	15,076	7,527
Rehab supplies (CDP&R)	430,859	342,798
Salaries and severance	1,818	7,939
Security	48,860	19,635
Special projects (Note 9b)	10,570	15,534
Stationery	13,805	19,874
Stipends	4,378	3,718
Subscriptions	12,403	9,579
Technical support	8,631	7,604
Telephone	7,665	4,949
Training	8,735	3,142
Travel	3,985	17,895
Treadmill and other tests (Lipids)	897,107	785,556
Sub total	<u>23,985</u>	<u>16,525</u>
Other	<u>\$ 921,092</u>	<u>\$ 802,081</u>
<b>9a. Fundraising</b>		
	\$ 4,060	\$ 3,510
Concerts	300	-
Fish suppers	-	781
Movie premiere	-	1,740
Raffle	83	-
Silver dollars for children	<u>\$ 4,443</u>	<u>\$ 6,031</u>

See Note 6 for Income on Fundraising.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

9b Special projects	2008	2007
Advocacy	\$ 19,830	\$ 3,852
Barbados Heart & Stroke Week (World Heart Day)	-	200
CDP&R Staff Training	10,713	-
Cricket World Cup	-	7,000
Diaries	1,869	1,725
ECC conference	3,621	-
Health fairs	8,685	3,313
Health Lifestyle seminar	694	1,623
Legacy promotion	298	75
Media campaign	-	100
Michael Clarke fund	3,150	1,130
Movement fest	-	617
	<u>\$ 48,860</u>	<u>\$ 19,635</u>

Advocacy includes 2008 Surgical Outcomes Conference sponsorship \$5,000, AGM Starcom Radio programme \$5,003 and Aries Technology educational CD ROM series \$4,600.

See Note 8 for Income on Special Projects.

## 10. Property, plant and equipment

	Building	Computer	Equipment	Furniture	Total
<b>Cost</b>					
1 October 2007	\$ 963,778	\$ 17,390	\$ 325,968	\$ 16,245	\$ 1,323,381
Additions	<u>4,700</u>	<u>4,070</u>	<u>22,315</u>	<u>2,879</u>	<u>33,964</u>
30 September 2008	<u>968,478</u>	<u>21,460</u>	<u>348,283</u>	<u>19,124</u>	<u>1,357,345</u>
<b>Depreciation</b>					
1 October 2007	\$ 129,057	\$ 10,723	\$ 170,050	\$ 9,438	\$ 319,268
Charge for year	<u>19,371</u>	<u>5,856</u>	<u>44,772</u>	<u>1,912</u>	<u>71,911</u>
30 September 2008	<u>148,428</u>	<u>16,579</u>	<u>214,822</u>	<u>11,350</u>	<u>391,179</u>
<b>Net book value</b>					
30 September 2008	<u>\$ 820,050</u>	<u>\$ 4,881</u>	<u>\$ 133,461</u>	<u>\$ 7,774</u>	<u>\$ 966,166</u>
30 September 2007	<u>\$ 834,721</u>	<u>\$ 6,667</u>	<u>\$ 155,918</u>	<u>\$ 6,807</u>	<u>\$ 1,004,113</u>

Note: The Barbados National Bank holds a first legal mortgage over the building (See Note 15).

## 11. Accounts receivable and prepaid expenses

	2008	2007
Accounts receivable	\$ 63,895	\$ 44,749
Less: provision for doubtful debts	<u>5,000</u>	<u>5,000</u>
	58,895	39,749
Prepayments	<u>80,717</u>	<u>6,354</u>
	<u>\$ 139,612</u>	<u>\$ 46,103</u>

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

(expressed in Barbados dollars)

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<b>12. Cash at bank and in hand</b>	<b>2008</b>	<b>2007</b>
Barbados National Bank - Wildey	\$ 102,612	\$ 142,480
Cash in hand	<u>1,151</u>	<u>1,110</u>
	<b>\$ <u>103,763</u></b>	<b>\$ <u>143,590</u></b>
<b>13. Accounts payable, accruals and prepaid receipts</b>	<b>2008</b>	<b>2007</b>
Accounts payable	\$ 61,069	\$ 22,200
Accruals	63,025	48,691
Received in advance	<u>197,117</u>	<u>102,733</u>
	<b>\$ <u>321,211</u></b>	<b>\$ <u>173,624</u></b>
<b>14. Deferred income</b>		
<p>This amount represents the 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 February 2002.</p>		
<b>15. Long-term loan</b>	<b>2008</b>	<b>2007</b>
Loan	\$ 169,721	\$ 218,826
Less: current portion	<u>56,357</u>	<u>47,020</u>
	<b>\$ <u>113,364</u></b>	<b>\$ <u>171,806</u></b>

The loan was obtained from Barbados National Bank to assist with the construction of the building and is repayable over 10 years. It is secured by a first legal debenture over the land and buildings at Ladymeade Gardens stamped to cover \$400,000.

During the year, interest was charged at the Bank's prime floating rate which fell from 10.45% to 10% (February 2008) and to 9.8% (June 2008) (2007 – 10.45%). Upon the default of this loan the deferred income (Note 14) becomes re-payable to the Bank.

## 16. Capital risk management

### Financial risk management

The Foundation's activities and the financial instruments it holds expose it to certain financial risks. These risks and the risk management policies employed by Management to manage them are discussed below. The Foundation's financial instruments consist of cash at bank and in hand, accounts receivable and prepaid expenses, accounts payable, accruals, and prepaid receipts, and long-term loan. The Foundation does not engage in any significant transactions which are speculative in nature.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

*(expressed in Barbados dollars)*

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### 16. Capital risk management (continued)

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instruments will influence because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market interest rates. The interest rate on the Foundation's long term loan is disclosed in Note 15 and this reflects current market rate. The Foundation has no other interest bearing financial assets and liabilities and is not exposed to significant interest rate risk.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in foreign exchange rates. The Foundation has no direct exposure to currency risk as all of its financial instruments are denominated in Barbados dollars, which is the Foundation's functional currency.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk.

The fair values of cash, long-term loan, accounts receivable, and of accounts payable are not materially different from their carrying values on the balance sheet and their exposure to other price risk is considered to be minimal.

#### Credit risk

Credit risk is the risk that an issuer, customer or member will cause a financial loss to the Foundation by failing to meet their obligation to the Foundation. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the balance sheet.

Cash and long term loans are placed with reputable financial institutions. The Foundation provides services and sells products to its members and/or customers primarily in Barbados. The Foundation performs ongoing credit reviews of its members and/or customers and generally does not require collateral. A provision for uncollectible amounts is provided if deemed necessary.

#### Fair value

Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, many of the financial instruments lack an available trading market and therefore, it is not possible to determine independently the estimated fair values. The fair values of financial instruments are considered to approximate their book values.

# HEART & STROKE FOUNDATION OF BARBADOS INC.

## Notes to financial statements

30 September 2008

*(expressed in Barbados dollars)*

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### 16. Capital risk management (continued)

#### Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. The Foundation's operating cash outflows are largely predictable and sufficient funds are maintained in the operating bank account to service these requirements.