

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

Financial statements

30 September 2007

HEART & STROKE FOUNDATION OF BARBADOS INC.

Contents

30 September 2007

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HEART & STROKE FOUNDATION OF BARBADOS INC.

Corporate information

30 September 2007

Directors

Drurard Symmonds	- (President)
Rowena Ahyee-Hallsworth	- (Senior Vice President)
Owen Springer	- (Vice President Financial Services)
Sonia Connell	
David Corbin	
Trevor Hassell	
Rosalind E Jackson	- (resigned 10 January 2008)
Terrance Mahon	
Ena Harvey	- (appointed 29 May 2007)
Adrian Randall	
Brian Charles	- (resigned 29 May 2007)

Secretary/Chief Executive Officer

Adrian Randall

Registered office

#3 Railway View
Ladymade Gardens
Jemmotts Lane
St Michael
Barbados

Bankers

Barbados National Bank
Wildey
St Michael
Barbados

Auditors

Deloitte & Touche
The Phoenix Centre
George Street
St Michael
Barbados

HEART & STROKE FOUNDATION OF BARBADOS INC.

Corporate information (continued)

30 September 2007

Attorneys-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 2007

GOVERNANCE

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 set up in 1985 as Heart Foundation of Barbados and on April 18, 2006 expanded to include stroke and become Heart & Stroke Foundation of Barbados Inc.

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. Heart & Stroke Foundation of Barbados Inc. is a registered charity under the Charities Act 1972, registration number 82.

During 2007 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 30 September 2007.

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 2007

ACTIVITIES

Undoubtedly the most momentous event of the previous year for the Cardiovascular Disease Prevention and Rehabilitation division (CDP&R) was the signing of a contract with the Ministry of Health just before the year end for the expansion of a CDP&R programme. The first persons to be admitted under the contract joined the programme in February 2007.

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 special risk of the foregoing.

In the year to September 30, 2007 one hundred and ten persons were admitted to the CDP&R programme, thirty six indigent of whom joined under the MOH contract. This is a considerable increase on the previous year and the average number on the register throughout the year was one hundred and thirty eight. Following the installation of the new telemetry system in February 2007 the numbers registered rose significantly. As at October 1, 2006 there were one hundred and twelve persons on the register and this had risen to one hundred and sixty one by the year end of September 30, 2007.

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 CDPR Programme is the provision of an excellent service that would make a lifelong positive impact on the lives of those who enter the programme. The Board of the Foundation has determined that 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.

The Emergency Cardiac Care (ECC) division underwent a number of changes during the year with three managers; Mrs. Gina Pitts left on January 29, 2007 being replaced by Mr. Ricardo Thompson who subsequently resigned and left on September 13, 2007. The department was then looked after by Mrs. Kim Clarke-Grant, CDP&R Manager, who was officially appointed to the post of ECC Manager on October 1, 2007. Additionally the post of Part time instructor was successfully filled by Mr. Rodney Brathwaite, who is a Senior Instructor who also holds a paramedic qualification.

Considerably more courses were put on in 2007 than there were in 2006. This is particularly true for Advanced Cardiac Life Support (ACLS) and Basic Cardiac Life Support (BLS) throughout the region in Antigua/Dominica/Guyana/Saba/St. Lucia. Indeed overseas fee income for the year is the highest percentage of fee income from overseas courses achieved since the Foundation commenced running CPR courses abroad.

In Barbados, one hundred and five courses were carried out and one thousand two hundred persons were trained during the year to September 2007. Heart Savers First Aid was the most prevalent, followed by BLS. There was only one Paediatric Advanced Life Support (PALS) course and we will be working on increasing the number of PALS courses next year.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Report of the Directors and Trustees (continued)

For the year ended 30 September 2007

ACTIVITIES (continued)

The number of courses run throughout the region rose dramatically to eighty eight. A total of one thousand, one hundred and ninety three participants were trained on these courses. The BLS course was most prevalent (53 courses, 862 persons trained) followed by the ACLS courses (11 courses, 197 persons trained). St. Maarten had the highest number of participants (255), whilst St. Lucia held the most courses (14).

We were able to offer for the first time an Oxygen course which 16 participants successfully attended.

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

- Continued, courtesy of Banks Holdings Ltd., a full page monthly advertorial HSFb PULSE in the Nation.
- Increased membership by 10% and introduced a membership incentive scheme providing discounts on CDP&R and ECC fees.
- Gained sponsorship for one edition of Heartline from SBI whilst increasing its circulation from 3,500 to 4,000.
- Continued a weekly interview series on CBC's The Chat Room.
- Increased significantly press coverage in both The Advocate and Daily Nation.
- Held our third fundraising concert, An evening of music, at Holders, sponsored by Royal Bank of Canada.
- Introduced CPR training specifically for youth via Guide and Scout movements funded by the Kiwanis "Silver Dollars for Children" appeal.
- Took Barbados Heart & Stroke Week to new heights with considerable assistance from sponsors Guardian Life of the Caribbean who renewed their three year commitment.
- Launched Heart & Stroke Support Group.
- Successfully campaigned for a smoke free CWC 2007.

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

2007 was an exceptionally good year for the Foundation with income being above that achieved in 2006 at \$1.1m (2006 - \$813K) but with \$215K being a grant for capital expenditure it is unlikely that a figure of \$1m will be achieved again for some time.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Report of the Directors and Trustees (continued)

For the year ended 30 September 2007

INCOME AND EXPENDITURE (continued)

Covenants and donations fell by \$1K to \$172K (2006 - \$161K to \$173K) with donations showing a large decrease of \$6K as covenants actually rose by \$5K.

Overall fee income rose significantly by \$110K i.e. 34% due to the considerably increased activity within ECC, referred to earlier, which saw an increase in fee income of 66% to \$234K (2006 – rose by 105% to \$140K). CDP&R fee income increased by 9% to \$195K (2006 –3% to \$179K) which was primarily due to QEH referrals under the MOH contract. Unfortunately fewer clients moved from Phase 2 to Phase 3 because of the failure of the telemetry system in the period April 2006 – January 2007.

Fundraising net income rose by \$26K to \$53K in 2007 with four new events introduced in the year. The most successful event was the fundraising concert at Holders which netted \$20K with the raffle producing \$13K.

Heartline did not have as good a year as in 2006 recording a small deficit of \$3K (Surplus 2006 \$14K) as sponsorship income fell significantly (2007 \$10K 2006 \$30K). However advertising was increased by \$8K and costs of production only increased by \$5K (10%) although circulation rose by 500 (14%) per edition.

Unfortunately fewer large Special Projects led to a significant reduction in income down by \$48K to \$53K from \$101K the year before. The number of projects fell from seven to six but the largest contributions from the Media Campaign and the ECC Conference fell from \$38k and \$31K respectively to zero as the Media Campaign is virtually at an end and no ECC conference was held in the year. CWC 2007 showed a significant increase of \$12K over 2006 but was still disappointing when judged against what had been forecast. Fortunately Expenditure on Special Projects also fell by \$48K to \$20K from \$68K so that the surplus remained unchanged at \$33K.

Total expenditure rose by only \$19K (2006 - \$49K) to \$802K (2006 - \$783K) with the largest increase being in Materials for ECC courses up \$45K due to significant rise in overseas courses. The only other major increase occurred in Depreciation \$39K as a result of the considerable increase in capital expenditure. These increases were partially offset by reductions in expenditure on Special Projects down by \$48K

Therefore the surplus recorded for the year rose above that of \$30K achieved in 2006 to a very significant \$278K, \$215 of which can be attributed to the capital grant.

BALANCE SHEET and CASH FLOW STATEMENT

In the year the most significant change has been the additions to fixed assets at a cost of \$198K being the purchase of the telemetry system, stress testing equipment, five AEDs and two laptops. The grant of \$215K from the EU, via the MOH, to cover costs of new equipment for the CDP&R programme was received early in the year.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Report of the Directors and Trustees (continued)

For the year ended 30 September 2007

BALANCE SHEET and CASH FLOW STATEMENT (continued)

Accounts receivable has been better managed throughout 2006/7 as tighter controls were introduced and as a result the net amount outstanding has been reduced by \$24K. Monthly loan repayments to BNB have been maintained reducing the long term liabilities significantly.

The net cash inflow position, after improving during the first half of the year and falling significantly in the third quarter, rose again in the fourth quarter. It therefore finished well above the level at the end of 2006 up \$87K at \$144K.

However, as was the position two years ago, whilst significant income has been received in advance and has been banked, it has not been included in the Income and Expenditure but deferred to 2007/8. These amounts have been included on the Balance Sheet under Accounts payable, accruals and prepaid receipts.

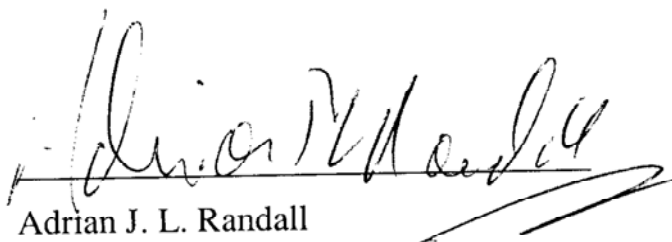
Therefore as projects for which funds were received in 2006/7 are carried out in 2007/8 it is anticipated that the cash reserves will be substantially reduced by the year end.

INDEPENDENT ACCOUNTANTS and AUDITORS

On behalf of the Board, I would like to express our heartfelt thanks to Ernst & Young for their unwavering support and exemplary service as accountants to Heart & Stroke Foundation of Barbados Inc. since inception.

Deloitte & Touche were appointed as auditors for the current year and, having indicated their willingness, will be proposed for re-election at the Annual General Meeting on April 18, 2008.

By order of the Board



Adrian J. L. Randall
Secretary

Date: March 27, 2008

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 2007, 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 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

The financial statements for the previous year were not audited.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is written in a cursive style and is underlined with a long, horizontal stroke that tapers to a point on the right side.

27 March 2008

HEART & STROKE FOUNDATION OF BARBADOS INC.

Statement of income and expenditure and changes in fund

For the year ended 30 September 2007

(with unaudited comparative balances for the year ended 30 September 2006)

(expressed in Barbados dollars)

	Notes	2007	2006
Income			
Bank interest		\$ 3,854	\$ 4,248
Covenants and donations	4	171,681	182,360
Fees	5	428,571	309,215
Fundraising	6	59,458	56,427
Grant	7	215,000	-
Heartline		51,773	63,626
Membership subscriptions		7,678	6,290
Rent		87,600	87,350
Sales		2,364	2,408
Special projects	8	<u>52,484</u>	<u>100,804</u>
Total		1,080,463	812,728
Less: Expenditure	9	<u>802,081</u>	<u>782,667</u>
Surplus		278,382	30,061
General fund brought forward at 1 October 2006		<u>362,974</u>	<u>332,913</u>
General fund carried forward at 30 September 2007		\$ <u>641,356</u>	\$ <u>362,974</u>

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

HEART & STROKE FOUNDATION OF BARBADOS INC.

Balance sheet

As at 30 September 2007

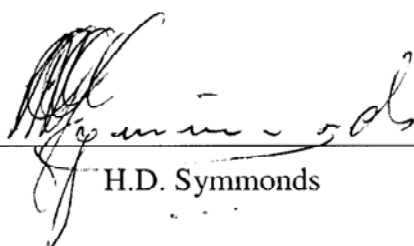
(with unaudited comparative balances as at 30 September 2006)

(expressed in Barbados dollars)

	Notes	2007	2006
Assets			
Current assets			
Cash at bank and in hand	12	\$ 143,590	\$ 57,083
Accounts receivable and prepaid expenses	11	<u>46,103</u>	<u>67,983</u>
		189,693	125,066
Property, plant and equipment	10	<u>1,004,113</u>	<u>872,872</u>
		<u>\$ 1,193,806</u>	<u>\$ 997,938</u>
Liabilities and General Fund			
Current liabilities			
Accounts payable, accruals and prepaid receipts	13	\$ 173,624	\$ 172,103
Deferred income	14	160,000	200,000
Current portion of long term loan		<u>47,020</u>	<u>44,035</u>
		<u>300,644</u>	<u>416,138</u>
Long-term loan	15	<u>171,806</u>	<u>218,826</u>
		552,450	634,964
Fund			
General fund		<u>641,356</u>	<u>362,974</u>
		<u>\$ 1,193,806</u>	<u>\$ 997,938</u>

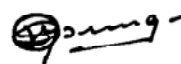
The accompanying notes form an integral part of these financial statements.

Approved on 27 March 2008 by the Board.



H.D. Symmonds

President



V.O. Springer

Vice President
Financial
Services

HEART & STROKE FOUNDATION OF BARBADOS INC.

Statement of cash flows

For the year ended 30 September 2007

(with unaudited comparative balances for the year ended 30 September 2006)

(expressed in Barbados dollars)

	Notes	2007	2006
Operating activities			
Surplus		\$ 278,382	\$ 30,061
Adjustments for:			
Depreciation		67,006	28,421
Decrease (increase) in accounts receivable and prepaid expenses		21,880	(3,177)
(Decrease) increase in accounts payable, accruals and prepaid receipts		1,521	(47,388)
Decrease in deferred income		<u>(40,000)</u>	<u>(40,000)</u>
<i>Net cash from (used in) operating activities</i>		<u>328,789</u>	<u>(32,083)</u>
Investing activities			
Capital expenditure		(198,247)	(12,054)
Disposal of fixed assets		<u>-</u>	<u>1,297</u>
<i>Net cash used in operating activities</i>		<u>(198,247)</u>	<u>(10,757)</u>
Financing activities			
Long-term loan repayment		<u>(44,035)</u>	<u>(37,322)</u>
<i>Net cash used in financial activities</i>		<u>(44,035)</u>	<u>(37,322)</u>
Net cash inflow (out)		86,507	(80,162)
Cash at bank and in hand as at 1 October		<u>57,083</u>	<u>137,245</u>
Cash at bank and in hand as at 30 September		\$ <u>143,590</u>	\$ <u>57,083</u>

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

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

1. Incorporation and principal activity

Heart & Stroke Foundation of Barbados Inc. (“the Foundation”) is incorporated as a non-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. New and revised accounting standards

The Foundation has elected to adopt the following revised accounting standards during the year with effect from 1 January 2007. These changes affect how items are presented in the financial statements and the disclosures made in the notes. Adoption of these revised standards did not result in any substantial changes to the Foundation’s accounting policies.

IFRS 7	<i>Financial instruments: - Disclosures</i>	Effective for annual periods beginning on or after 1 January 2007
IAS 1	<i>Financial instruments: Disclosures Presentation of Financial Statements: Amendments to add disclosures about an entity’s capital</i>	Effective for annual periods beginning on or after 1 January 2007

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 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

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.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

3. Significant accounting policies

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.

Income

All income to which the foundation is legally entitled has been included in the statement of income and expenditure and changes of 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.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are recognised in the financial statements when the Company becomes a party to the contractual provisions of the instruments.

Cash at bank and in hand

Cash at bank and in hand include cash at bank and cash in hand.

Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses are stated at their nominal values less any provision for estimated irrecoverable balances.

Accounts payable, accruals and prepaid receipts

Accounts payable, accruals and prepaid receipts are stated at their nominal values. Accruals include provision determined by management given the circumstances prevailing at the time.

Long-term loan

Long-term loan is recorded at the proceeds received less direct issue costs if applicable. Interest is accounted for on an accrual basis and is included with accounts payable in the balance sheet, to the extent that it is not settled during the year in which it arises.

Expenditure

Expenditure is accounted for on an accruals 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

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

3. Significant accounting policies (continued)

Taxation

The Foundation is a registered 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

	2007	2006
Covenants	\$ 68,383	\$ 63,150
Donations	<u>103,298</u>	<u>119,210</u>
	<u>\$ 171,681</u>	<u>\$ 182,360</u>

5. Fees

	2007	2006
Cardiovascular Disease Prevention & Rehabilitation (CDP&R) programme	\$ 194,952	\$ 168,750
Emergency Cardiac Care (ECC) courses	<u>233,619</u>	<u>140,465</u>
	<u>\$ 428,571</u>	<u>\$ 309,215</u>

6. Fundraising

	2007	2006
Income		
Bingo	\$ -	\$ 28,250
Chinese auction	1,660	-
Concerts	23,418	21,177
Movie premiere	5,830	-
Ocean Park – valentine auction	4,031	-
Raffle	14,925	-
Silver dollars for children	9,334	7,000
Sponsored walk	<u>260</u>	<u>-</u>
	<u>\$ 59,458</u>	<u>\$ 56,427</u>

See further Note 9a for expenditure on Fundraising.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

7. Grant

During the year ended 30 September 2007, \$215,000 (2006 - \$Nil) was received from the Ministry of Health to purchase capital expenditure equipment to support the contract to expand and develop the cardiovascular rehabilitation service run by the Foundation.

8. Special projects

	2007	2006
Income		
Barbados Heart & Stroke Week (World Heart Day)	\$ 6,000	\$ 7,000
Cricket World Cup 2007	17,790	5,700
ECC conference	-	30,610
Diaries	1,067	-
FCTC PSA DVD	-	1,994
Health fairs	10,127	1,200
Healthy Lifestyle seminar	12,000	16,300
Media campaign	-	38,000
Michael Clarke fund	<u>5,500</u>	<u>-</u>
	<u>\$ 52,484</u>	<u>\$ 100,804</u>

See Note 9b for expenditure on Special Projects.

9. Expenditure

	2007	2006
Bad and doubtful debts	\$ 5,845	\$ 14,078
Building maintenance	6,763	7,613
Depreciation	67,006	28,421
Electricity	21,803	21,362
Entertaining	4,023	7,463
Equipment maintenance	7,149	2,030
Fundraising (Note 9a)	6,031	28,953
Heartline	54,738	49,540
Insurance	14,942	14,040
Loan interest	<u>25,450</u>	<u>30,226</u>
Sub total carried forward	213,750	203,726

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

9. Expenditure (continued)

	2007	2006
Sub total brought forward	\$ 213,750	\$ 203,726
Lunches (ECC)	6,740	8,152
Materials (ECC)	95,079	49,677
Publicity	9,793	11,569
Rehab supplies (CDP&R)	7,527	3,961
Salaries and severance	342,798	339,595
Security	7,939	1,265
Special projects (Note 9b)	19,635	68,333
Stationery	15,534	9,999
Stipends	19,874	21,134
Subscriptions	3,718	5,003
Technical support	9,579	10,663
Telephone	7,604	7,490
Training	4,949	4,470
Travel	3,142	3,040
Treadmill and other tests	<u>17,895</u>	<u>11,650</u>
Sub total	785,556	759,727
Other	<u>16,525</u>	<u>22,940</u>
	<u>\$ 802,081</u>	<u>\$ 782,667</u>
9a. Fundraising		
Bingo	\$ -	\$ 21,168
Concerts	3,510	6,778
Movie premiere	781	-
Raffle	1,740	-
Silver dollars for children	<u>-</u>	<u>1,007</u>
	<u>\$ 6,031</u>	<u>\$ 28,953</u>

See Note 6 for Income on Fundraising.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

9. Expenditure (continued)

	2007	2006
9b Special projects		
Advocacy	\$ 3,852	\$ -
Barbados Heart & Stroke Week (World Heart Day)	200	594
Care for Life	-	345
ECC conference	-	16,504
Cricket World Cup	7,000	2,413
Diaries	1,725	-
FCTC PSA DVD	-	1,651
Health fairs	3,313	-
Health Lifestyle seminar	1,623	6,769
Legacy promotion	75	-
Life Education Centre - NCSA	-	5,000
Media campaign	100	35,057
Michael Clarke fund	1,130	-
Movement fest	<u>617</u>	<u>-</u>
	<u>\$ 19,635</u>	<u>\$ 68,333</u>

See Note 8 for Income on Special Projects.

10. Property, plant and equipment

	Building	Computer	Equipment	Furniture	Total
Cost					
1 October 2006	\$ 960,264	\$ 10,890	\$ 137,735	\$ 16,245	\$ 1,125,134
Additions	<u>3,514</u>	<u>6,500</u>	<u>188,233</u>	<u>-</u>	<u>198,247</u>
30 September 2007	<u>\$ 963,778</u>	<u>\$ 17,390</u>	<u>\$ 325,968</u>	<u>\$ 16,245</u>	<u>\$ 1,323,381</u>
Depreciation					
1 October 2006	\$ 109,780	\$ 4,927	\$ 129,741	\$ 7,814	\$ 252,262
Charge for year	<u>19,277</u>	<u>5,796</u>	<u>40,309</u>	<u>1,624</u>	<u>67,006</u>
30 September 2007	<u>\$ 129,057</u>	<u>\$ 10,723</u>	<u>\$ 170,050</u>	<u>\$ 9,438</u>	<u>\$ 319,268</u>
Net book value					
30 September 2007	<u>\$ 834,721</u>	<u>\$ 6,667</u>	<u>\$ 155,918</u>	<u>\$ 6,807</u>	<u>\$ 1,004,113</u>
30 September 2006	<u>\$ 850,484</u>	<u>\$ 5,963</u>	<u>\$ 7,994</u>	<u>\$ 8,431</u>	<u>\$ 872,872</u>

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

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

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(expressed in Barbados dollars)

11. Accounts receivable and prepaid expenses

	2007	2006
Accounts receivable	\$ 44,749	\$ 62,108
Less: provision for doubtful debts	<u>5,000</u>	<u>4,000</u>
	39,749	58,108
Prepayments	<u>6,354</u>	<u>9,875</u>
	\$ <u>46,103</u>	\$ <u>67,983</u>

12. Cash at bank and in hand

	2007	2006
Barbados National Bank - Wildey	\$ 142,480	\$ 56,797
Cash in hand	<u>1,110</u>	<u>286</u>
	\$ <u>143,590</u>	\$ <u>57,083</u>

13. Accounts payable, accruals and prepaid receipts

	2007	2006
Accounts payable	\$ 22,200	\$ 9,011
Accruals	48,691	49,326
Received in advance	<u>102,733</u>	<u>113,766</u>
	\$ <u>173,624</u>	\$ <u>172,103</u>

14. Deferred income

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.

15. Long-term loan

	2007	2006
Loan	\$ 218,826	\$ 262,861
Less: current portion	<u>47,020</u>	<u>44,035</u>
	\$ <u>171,806</u>	\$ <u>218,826</u>

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 of 10.45% (2006 – Nil%). Upon the default of this loan the deferred income (Note 14) becomes re-payable to the bank.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

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(expressed in Barbados dollars)

16. Financial instruments

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.

Interest rate risk

The Foundation does not have any significant exposure to interest rate risk except as disclosed in Note 15.

Credit risk

Credit risk arises from the possibility that counter-parties may default in their obligations to the Foundation. The maximum credit risk exposure of financial assets recognised in the balance sheet is represented by the carrying amounts of the financial assets.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Foundation's performance to developments affecting a particular industry or geographical location. Management does not believe that the concentration is unusual or provides undue risks.

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.

17. Capital risk management

The Foundation manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its members through the optimisation of the debt and fund balance.

The capital structure of the Foundation consists of debt as disclosed in Note 15, and the general fund.

HEART & STROKE FOUNDATION OF BARBADOS INC.

Notes to financial statements

30 September 2007

(expressed in Barbados dollars)

17. Capital risk management (continued)

The Board of Directors reviews the capital structure on an annual basis. As a part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board of Directors, the Foundation will balance its overall capital structure through the issue of new debt or the redemption of existing debt.

The Foundation's overall strategy remains unchanged from 2006.