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The Trustees  
St Francis Outreach Trust

Dear Trustees

Independent review for the period ended 28 February 2018

I have conducted an independent review for the period ended 28 February 2018 and would like to draw the Trustees attention to the following as a result of the work carried out:

1. The systems and controls within the Trust are working very well – thanks in large part to Michelle and Monika and their daily involvement in the Trust.
2. The going concern of the Trust and how it is going to finance both houses as well as the increasing education and other costs needs to be reviewed especially in the light of the fact that there is no stable recurring income coming into the Trust and the increasing motor vehicle costs which were not sponsored this year. R539 967 worth of donations was received in the current year with total income of R700 896 including the profit from the calendars. This must be compared with expenditure of R957 074. As a result, the Trust incurred a net loss this year of R250 924. This has had a direct consequence on the bank balance which has decreased in the current year by R232 207. The Trust needs to work on a strategic plan for fundraising which I would like to be involved in if possible. I also think the calendar project needs to be revised in the current year as the cost versus benefit of that is not making it viable as a fundraiser going forward. I did suggest a drive for school fees where people sponsor a specific child and can see exactly where his/her monies are being spent- it makes it a personal experience for all and will assist with the ever-increasing g education costs of the Trust.
3. As the children are getting older and the expenditure of the two homes is growing, I would like to recommend that the Trust starts budgeting at the beginning of the financial year as to what expenditure will be incurred so that there is a realistic plan for what income must be budgeted for and attained in order to cover all expenditure and forward planning can be implemented. I think this budget needs to be tabled at the Trustees meeting and actual figures to be compared monthly.

4. I have suggested in the past that a monthly budget be done for the each of the homes and that actual expenditure be compared to this budget. I do feel that this is imperative as costs will be increasing given the increasing needs of the children and proper financial management needs to be instilled as part of the culture of the Trust to ensure financial stability. I am unsure whether this has been done in the current year, but costs are ever increasing, and we need to keep all costs controlled especially in these economic times.

I wish the Trust every success for the next financial year and that the children continue to thrive in the environment that you have provided for them so lovingly with all the work you do. It is such a wonderful opportunity for me to be involved in this fantastic organization and watch these children grow over the years.

Kind regards,

Shelley von Seidel