

AUDITED FINANCIAL STATEMENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Type of trust	Service Trust
Trustees	Prof. KS Naidoo RP de Wet AG Marshall JA de Martin RSS Msengana SM Gulube KL Mboyi
Business address	General Aviation Area Cape Town International Airport 7525
Postal address	PO Box 93 Cape Town International Airport 7525
Bankers	ABSA Bank Limited Investec Private Bank Limited Nedbank a division of Nedcor Limited
Auditors	Grant Thornton Cape Incorporated Chartered Accountants (SA) Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Ltd
Trust registration number	T3404/94

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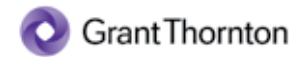
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The report & statements set out below comprise the consolidated financial statements presented to the trustees:

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INDEPENDENT AUDITOR'S REPORT



To the trustees of The SA Red Cross Air Mercy Service Trust

The combined annual financial statements have been compiled from the audited financial statements and annexures of The SA Red Cross Air Mercy Service Trust, The Pilatus Trust, Redfin Partnership and Beekay 147 Investments (Proprietary) Limited, which collectively form The SA Red Cross Air Mercy Service Consolidated.

We have audited the consolidated financial statements of The SA Red Cross Air Mercy Service Trust, which comprise the trustees' report, statement of financial position as at 28 February 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 51 to 66.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these consolidated 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 consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

In respect of The SA Red Cross Air Mercy Service Trust, in common with similar organisations, it was not feasible for the trust to institute adequate accounting controls over cash collections from donations and other voluntary income prior to initial entry of collections in the accounting records. Accordingly it was impracticable for us to extend our examination beyond receipts actually recorded. In respect of The SA Red Cross Air Mercy Service Trust, as referred to in note 8 of

the financial statements, the entity has made material provisions for repairs which will be required on capital assets in the future. In accordance with the International Accounting Standard on Provisions, IAS 37, a provision may not be recognised on future repairs on capital assets.

Opinion

In respect of the entities referred to above, in our opinion, except for the effects on the annual financial statements of the matters described in the preceding paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of The SA Red Cross Air Mercy Service Trust as at 28 February 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 67 to 68 does not form part of the consolidated financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Grant Thornton Cape Incorporated
Chartered Accountants (S.A.)
Registered Auditors

Per: D Smith Chartered Accountant (S.A.)
Registered Auditor

17 May 2011, Cape Town

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50 | TRUSTEES' RESPONSIBILITIES & APPROVAL

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly

defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

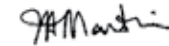
The trustees have reviewed the trust's cash flow forecast for the year to 29 February 2012 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access

to adequate resources to continue in operational existence for the foreseeable future.

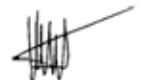
Although the board are primarily responsible for the financial affairs of the trust, they are supported by the trust's external auditors.

The external auditors are responsible for independently reviewing and reporting on the trust's consolidated financial statements. The consolidated financial statements have been examined by the trust's external auditors and their report is presented on page 49.

The consolidated financial statements set out on pages 51 to 68, which have been prepared on the going concern basis, were approved by the board of trustees on 17 May 2011 and were signed on its behalf by:



Trustee



Trustee

**Cape Town
17 May 2011**



TRUSTEES' REPORT

The trustees submit their report for the year ended 28 February 2011.

1. Review of activities

Main business and operations

The SA Red Cross Air Mercy Service Trust operates an air ambulance service, for no financial gain, for the benefit of all ill and injured people. The SA Red Cross Air Mercy Service Trust also provides medical and humanitarian services directed at preservation of life and the alleviation of human suffering, particularly within the rural areas of South Africa.

The operating results and state of affairs of the trust are fully set out in the attached consolidated financial statements and do not in our opinion require any further comment.

2. Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name	Nationality
Prof. KS Naidoo	South African
RP de Wet	South African
AG Marshall	South African
JA de Martin	South African
RSS Msengana	South African
SM Gulube	South African
KL Mboyi	South African

5. Auditors

Grant Thornton Cape Incorporated will continue in office for the next financial period.

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STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	332 116 328	316 074 541
		332 116 328	316 074 541
Current Assets			
Inventories	4	4 441 891	2 990 835
Trade and other receivables	5	23 871 193	21 531 290
Cash and cash equivalents	6	13 585 859	4 098 712
		41 898 943	28 620 837
Total Assets		374 015 271	344 695 378
Equity and Liabilities			
Equity			
Trust capital		15 386 605	15 386 605
Accumulated surplus		35 329 035	28 837 154
		50 715 640	44 223 759
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	222 497 196	200 637 645
Provisions	8	32 521 746	34 632 021
		255 018 942	235 269 666
Current Liabilities			
Other financial liabilities	7	52 609 025	55 942 046
Trade and other payables	9	15 671 664	9 259 907
		68 280 689	65 201 953
Total Liabilities		323 299 631	300 471 619
Total Equity and Liabilities		374 015 271	344 695 378



STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2011	2010
Revenue	11	138 572 831	124 648 839
Other income		695 601	767 161
Operating expenses		(109 896 525)	(100 714 647)
Operating surplus	12	29 371 907	24 701 353
Investment revenue	13	577 665	478 837
Finance costs	14	(23 457 691)	(22 424 523)
Surplus for the year		6 491 881	2 755 667
Other comprehensive income		-	-
Total comprehensive surplus		6 491 881	2 755 667

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2009	15 386 605	26 081 487	41 468 092
Total comprehensive surplus for the year	-	2 755 667	2 755 667
Total changes	-	2 755 667	2 755 667
Balance at 01 March 2010	15 386 605	28 837 154	44 223 759
Total comprehensive surplus for the year	-	6 491 881	6 491 881
Total changes	-	6 491 881	6 491 881
Balance at 28 February 2011	15 386 605	35 329 035	50 715 640

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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash generated from operations	17	68 427 920	61 981 907
Interest income		577 665	478 837
Finance costs		(23 457 691)	(22 424 523)
Net cash from operating activities		45 547 894	40 036 221
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(87 659 162)	(74 239 038)
Sale of property, plant and equipment		33 071 885	836 911
Net cash from investing activities		(54 587 277)	(73 402 127)
Cash flows from financing activities			
Proceeds from other financial liabilities		18 526 530	26 437 472
Net cash from financing activities		18 526 530	26 437 472
Total cash movement for the year		9 487 147	(6 928 434)
Cash at the beginning of the year		4 098 712	11 027 146
Total cash at end of the year	6	13 585 859	4 098 712



ACCOUNTING POLICIES

1. Presentation of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgements include:

Trade Receivables

The trust assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the trust makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Useful lives and residual values of property, plant and equipment

The estimated useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy note in the annual financial statements. These rates and the residual values of the assets

are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmark accounting treatments in the industry.

Impairment testing

The trust reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the trust; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Aircraft	5 years
Computer equipment	3 years
Furniture and fixtures	10 years
Hangar & communication equipment	8 years
Leasehold improvements	5 - 15 years
Medical equipment	5 years
Motor vehicles	5 - 8 years
Office equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments Initial recognition and measurement

Financial instruments are recognised initially when the trust becomes a party to the contractual provisions of the instruments.

The trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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ACCOUNTING POLICIES CONTINUED

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.5 Impairment of assets

The trust assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication

exists, the trust estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 Employee benefits Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.7 Provisions and contingencies

A provision for future maintenance is recognised, since the trust has an obligation to overhaul their fixed wing aircraft after a predetermined number of flying hours. The amount of the provision is calculated based on the current cost of the overhaul and the portion of the hours flown to date. The provision is utilised against any engine overhaul costs incurred.

A provision for major components is recognised on rotor wing aircraft based on a fixed amount per hour flown. This amount is determined by management based on past experience and current estimates of costs to repair the aircraft. The provision is utilised against any rotor wing maintenance expenditure incurred.

1.8 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the trust;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



ACCOUNTING POLICIES CONTINUED

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Donations are recognised, in profit or loss, when the trust's right to receive payment has been established.

1.9 Turnover

Turnover comprises revenue from air ambulance and clinic services delivered. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.10 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when

the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.12 Statements and interpretations not yet effective

The company has not applied the following IFRS and International Financial Reporting Interpretations Committee (IFRIC), interpretations that have been issued but not yet effective.

Amendment IFRS 7 – Financial instruments: disclosures clarifying the intended interaction between qualitative and quantitative disclosures of the nature and extent of risks arising from financial instruments. Effective 1 January 2011. The impact of this standard is not reasonably known or estimable.

Amendment IFRS 7 – Financial Instruments: disclosures requiring additional disclosures on transfer transactions of financial assets. Effective 1 July 2011. The impact of this standard is not reasonably known or estimable.

IFRS 9 – Financial instruments: Effective 1 January 2013. New standard that forms the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The impact of this statement is not reasonably known or estimable.

Amendment IAS 1 – Presentation of financial statements: Clarification of the statement of changes in equity. Effective 1 January 2011. The impact

of this standard is not reasonably known or estimable.

Amendment IAS 12 – Income taxes: Introduction of a rebuttable presumption that investment property will be recovered in its entirety through sales. Effective 1 January 2012. The impact of this standard is not reasonably known or estimable.

Amendment IAS 24 – Related Parties: Clarification of the definition of a related party. Effective 1 January 2011. The impact of this standard is not reasonably known or estimable.

Certain other new standards and interpretations have been issued, but are not expected to have a material impact on the company's financial statements.

1.13 Adoption of new and revised standards

The following standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), are effective for the current year. These are:

Amendment IAS 1 – Presentation of Financial Statements: Amendments to structure of financial statements.

Amendment IAS 7 – Statement of Cash Flows: Classification of expenditures on unrecognised assets.

Amendment IAS 10 – Events after the Reporting Period: Amendment resulting from issue of IFRIC 17.

Amendment IAS 17 – Leases: Classification of leases of land and buildings.

Amendment IAS 21 – The Effects of Changes in Foreign Exchange Rates.

Amendment IAS 39 – Financial Instruments: Recognition and Measurement.

The adoption of these amendments has not led to any changes in the accounting policies.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Figures in Rand

	2011			2010		
2. Property, plant and equipment	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Aircraft	378 182 436	(67 407 631)	310 774 805	341 518 780	(44 073 750)	297 445 030
Computer equipment	735 507	(361 466)	374 041	543 600	(160 503)	383 097
Furniture and fixtures	1 124 124	(151 714)	972 410	697 473	(8 125)	689 348
Hangar and communication equipment	2 452 407	(605 458)	1 846 949	1 998 933	(143 010)	1 855 923
Leasehold improvements	11 119 240	(1 724 291)	9 394 949	9 853 106	(1 219 290)	8 633 816
Medical equipment	9 588 617	(2 223 474)	7 365 143	6 392 683	(587 743)	5 804 940
Motor vehicles	1 411 110	(173 668)	1 237 442	1 213 771	(89 911)	1 123 860
Office equipment	213 707	(63 118)	150 589	153 838	(15 311)	138 527
Total	404 827 148	(72 710 820)	332 116 328	362 372 184	(46 297 643)	316 074 541

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Aircraft	297 445 030	81 239 208	(37 724 203)	-	(30 185 230)	310 774 805
Computer equipment	383 097	201 857	(441)	-	(210 472)	374 041
Furniture and fixtures	689 348	395 661	-	-	(112 599)	972 410
Hangar and communication equipment	1 855 923	232 615	-	65 574	(307 163)	1 846 949
Leasehold improvements	8 633 816	2 213 994	(69 710)	-	(1 383 151)	9 394 949
Medical equipment	5 804 940	3 000 692	-	(65 574)	(1 374 915)	7 365 143
Motor vehicles	1 123 860	316 343	(110 966)	-	(91 795)	1 237 442
Office equipment	138 527	58 792	(4 318)	-	(42 412)	150 589
Total	316 074 541	87 659 162	(37 909 638)	-	(33 707 737)	332 116 328



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Property, plant and equipment continued

2011

2010

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Aircraft	253 878 990	65 103 603	-	-	(21 537 563)	297 445 030
Computer equipment	-	544 107	(928)	3 025	(163 107)	383 097
Furniture and fixtures	-	735 162	-	-	(45 814)	689 348
Hangar and communication equipment	-	2 297 732	(216 934)	(9 423)	(215 452)	1 855 923
Leasehold improvements	4 781 705	5 385 772	-	10 630	(1 544 291)	8 633 816
Medical equipment	-	7 097 725	(540 264)	-	(752 521)	5 804 940
Motor vehicles	-	1 213 771	-	-	(89 911)	1 123 860
Office equipment	-	181 241	(7 254)	(4 232)	(31 228)	138 527
	258 660 695	82 559 113	(765 380)	-	(24 379 887)	316 074 541

Assets subject to instalment sale agreements (Net carrying amount)

Aircraft	310 774 805	297 445 030
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3. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011	Loans and receivables	Total
Cash and cash equivalents	13 585 859	13 585 859
Trade and other receivables	23 871 193	23 871 193
	37 457 052	37 457 052

2010	Loans and receivables	Total
Cash and cash equivalents	4 098 712	4 098 712
Trade and other receivables	21 531 290	21 531 290
	25 630 002	25 630 002

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Figures in Rand

	2011	2010
4. Inventories		
Fuel	90 838	76 140
Spare parts	4 259 273	2 851 105
Uniforms	91 780	63 590
	4 441 891	2 990 835

5. Trade and other receivables

Trade receivables	23 696 289	19 614 495
Prepayments	111 704	945 822
Deposits	63 200	660 100
Other receivables	-	310 873
	23 871 193	21 531 290

The carrying amount of trade and other receivables approximates its fair value.

Trade and other receivables impaired

As of 28 February 2011, trade and other receivables of R469 305 (2009: R526 977) were impaired and provided for.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	526 977	180 985
Provision for impairment	-	345 992
Unused amounts reversed	(57 672)	-
	469 305	526 977

6. Cash and cash equivalent

Cash and cash equivalents consist of:

Bank balances	13 564 310	4 073 263
Cash on hand	21 549	25 449
	13 585 859	4 098 712



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. Other financial liabilities

Held at amortised cost

Instalment sales agreement

275 106 221

256 579 691

The instalment sales agreements are secured over aircrafts with a net book value of R310 774 805 (2010: R297 445 030).

The liabilities bear interest from 1-2% below the prime bank overdraft rate (2010: 1-2% below the prime overdraft rate) and are repayable in monthly instalments of approximately R6 006 135 (2010: R6 374 475) inclusive of finance charges.

Non-current liabilities

At amortised cost

222 497 196

200 637 645

Current liabilities

At amortised cost

52 609 025

55 942 046

275 106 221

256 579 691

8. Provisions

Reconciliation of provisions - 2011

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for major components	18 822 332	4 545 070	(610 926)	(6 474 577)	16 281 899
Provision for engine overhaul	15 809 689	3 988 138	(3 557 980)	-	16 239 847
	34 632 021	8 533 208	(4 168 906)	(6 474 577)	32 521 746

Reconciliation of provisions - 2010

	Opening balance	Additions	Utilised during the year	Total
Provision for major components	12 918 129	5 904 203	-	18 822 332
Provision for engine overhaul	13 072 811	4 577 824	(1 840 946)	15 809 689
	25 990 940	10 482 027	(1 840 946)	34 632 021

The engine overhaul and major component provisions are raised to offset expenses which will be incurred in future to repair or replace the aircrafts engines.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2011	2010
9. Trade and other payables		
Trade payables	4 842 623	3 663 414
VAT	775 784	923 492
Accrued leave pay	2 303 578	2 282 169
Accrual for subvention fees	200 000	200 000
Accrued expenses	249 202	198 449
Accrued payroll	675 688	542 383
Amounts received in advance	6 624 789	1 450 000
	15 671 664	9 259 907

The carrying amounts of trade and other payables approximates its fair value.

10. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011	Financial liabilities at amortised cost	Total
Other financial liabilities	275 106 221	275 106 221
Trade and other payables	14 895 879	14 895 879
	290 002 100	290 002 100

2010	Financial liabilities at amortised cost	Total
Other financial liabilities	256 579 691	256 579 691
Trade and other payables	8 336 413	8 336 413
	264 916 104	264 916 104

11. Revenue

Services rendered	133 696 464	121 308 290
Donations received	4 876 367	3 340 549
	138 572 831	124 648 839



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Profit (loss) on sale of property, plant and equipment	(4 837 753)	71 531
Loss on exchange differences	406 679	6 481
Depreciation on property, plant and equipment	33 707 736	24 379 886
Employee costs	32 433 575	28 775 758

13. Investment revenue

Interest revenue

Bank	577 665	478 837
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14. Finance costs

Bank	67 721	-
Instalment sale agreements	23 389 970	22 424 523
	23 457 691	22 424 523

15. Taxation

No provision has been made for 2011. The trust is currently in a tax assessed loss position.

16. Auditors' remuneration

Fees	90 000	89 136
Tax and secretarial services	41 798	23 950
	131 798	113 086

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Figures in Rand	2011	2010
17. Cash generated from operations		
Surplus before taxation	6 491 881	2 755 667
Adjustments for:		
Depreciation	33 707 736	24 379 887
Profit (loss) on sale of property, plant and equipment	4 837 753	(71 531)
Loss on foreign exchange	406 679	6 481
Interest received	(577 665)	(478 837)
Finance costs	23 457 691	22 424 523
Movements in provisions	(2 110 275)	8 641 081
Changes in working capital:		
Inventories	(1 451 056)	(463 817)
Trade and other receivables	(2 746 582)	1 706 855
Trade and other payables	6 411 758	3 081 598
	68 427 920	61 981 907

18. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment - 53 505 684

The committed expenditure related to the purchase of aircrafts, financed in terms of instalment sales agreements.

Operating leases - as lessee (expense)

Minimum lease payments due - within one year	194 370	310 200
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Operating lease payments represent hangar rentals payable by the trust for certain of its bases. Leases are negotiated for an average term of one year. No contingent rent is payable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Figures in Rand

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19. Related parties

Relationships

Entities	Excelebrate (Proprietary) Limited
Members of key management	John Stone (Group CEO) Dr Phillip Erasmus (CEO)

Related party balances

Consulting fees paid to related parties

Excelebrate (Proprietary) Limited	1 475 015	1 413 501
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20. Risk management

Liquidity risk

The trust's risk to liquidity is a result of the funds available to cover future commitments. The trust manages liquidity risk through an ongoing review of future commitments and credit facilities. The table below analyses the trust's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 28 February 2011	Within 6 months	Within 12 months	Between 2 & 5 years	Over 5 years
Trade and other payables	14 895 879	-	-	-
Other financial liabilities	26 304 512	26 304 512	222 416 728	-
At 28 February 2010	Within 6 months	Within 12 months	Between 2 & 5 years	Over 5 years
Trade and other payables	8 336 413	-	-	-
Other financial liabilities	27 971 023	27 971 023	200 569 373	-

Interest rate risk

As the trust has no significant interest-bearing assets, the trust's income and operating cash flows are substantially independent of changes in market interest rates. The trust finances its operations through a mixture of retained earnings, financing arrangements for certain items of property plant and equipment and long-term bank borrowings. Instalment sales agreements bear an average interest of 8% (2010: 9%) per annum. At 28 February 2011, if interest rates on borrowings had been 3.5% (2010: 3.5%) higher/lower with all other variables held constant, post-tax profit for the year would have been R9 628 718 (2010: R8 980 289) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowing.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Credit risk

Credit risk consists mainly of cash deposits, cash equivalent and trade debtors. The trust only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Cash and cash equivalents - ABSA Bank Limited	12 140 612	4 063 684
Cash and cash equivalents - Investec Private Bank Limited	10 272	9 580
Cash and cash equivalents - Nedbank a division of Nedcor Limited	1 413 426	-

Foreign exchange risk

The trust does not hedge foreign exchange fluctuations.

At 28 February 2011, if the currency had strengthened/weakened by 10%, 8%, 10% and 5% (Being the movement in the respective exchange rates during the year) against the Euro, Indian Rupee, US dollar and British pound respectively with all other variables held constant, post-tax profit for the year would have been R1 272 higher/lower (2010: 16%, 17%, 24% and 19% respectively against the Euro, Swiss Frank, US dollar and Japanese yen with all other variables held constant, post-tax profit for the year would have been R4 671 higher/lower), mainly as a result of foreign exchange gains/losses on the translation of the Euro, Swiss Frank, US dollar and British pound respectively denominated cash and cash equivalent

The following items are uncovered:

Foreign currency exposure at the end of the reporting period

Current assets

Cash and cash equivalents, USD 1 434 (2010: USD 2 164)	9 995	16 364
Cash and cash equivalents, EURO 165 (2010: EURO 190)	1 586	1 957
Cash and cash equivalents, CHF Nil (2010: 67)	-	469
Cash and cash equivalents, GBP 85 (2010: 140)	959	1 600
Cash and cash equivalents, INR 1 950 (2010: Nil)	299	-

Exchange rates used for conversion of foreign items were:

USD	6.97	7.78
GBP	11.28	11.85
CHF		7.25
EURO	9.61	10.74
INR	0.15	



DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2011	2010
Revenue			
Services rendered		133 696 464	121 308 290
Donations received		4 876 367	3 340 549
	11	138 572 831	124 648 839
Other income			
Discount received		366	41 249
Recoveries		3 380	35 000
Pledges received		691 855	619 381
Interest received	13	577 665	478 837
Gains on disposal of assets		-	71 531
		1 273 266	1 245 998
Expenses (Refer to page 64)		(109 896 525)	(100 714 647)
Operating surplus	12	29 949 572	25 180 190
Finance costs	14	(23 457 691)	(22 424 523)
Surplus for the year		6 491 881	2 755 667

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OPERATING EXPENSES

Figures in Rand	Note(s)	2011	2010
Operating expenses			
Ambulance fees		(51 376)	(48 357)
Auditors remuneration	16	(131 798)	(113 086)
Bank charges		(77 938)	(80 243)
Cancellation fees		-	(1 250 000)
Cleaning		(30 726)	(28 115)
Computer expenses		(463 433)	(365 811)
Consulting fees		(1 568 323)	(1 413 501)
Consumables		(270 980)	(152 611)
Depreciation, amortisation and impairments		(33 707 736)	(24 379 886)
Employee costs		(32 433 575)	(28 775 758)
Fuel		(10 331 923)	(8 473 839)
General expenses		(237 855)	(79 665)
Hire		(1 664 486)	(839 613)
Insurance		(8 741 799)	(8 179 803)
Land and navigation fees		(441 291)	(212 376)
Laundry and dry cleaning		(11 245)	(9 445)
Legal expenses		(48 808)	(572 204)
Licence fee		(209 192)	(217 629)
Loss on disposal of assets		(4 837 753)	-
Loss on exchange differences		(406 679)	(6 481)
Maintenance provisions		(8 533 207)	(10 482 027)
Motor vehicle expenses		(433 255)	(284 672)
Movement in doubtful debts allowance		57 672	(345 992)
Printing and stationery		(601 344)	(556 887)
Promotions		(409 570)	(80 540)
Repairs and maintenance		(777 837)	(10 543 066)
Staff welfare		(203 111)	(158 095)
Subscriptions		(339 447)	(239 121)
Subvention fees		(100 000)	(100 000)
Telemarketing		(6 421)	(4 599)
Telephone and fax		(759 448)	(678 923)
Training		(230 495)	(165 025)
Travel - local		(1 482 323)	(1 550 196)
Travel - overseas		(163 897)	(107 771)
Uniforms		(45 203)	(61 666)
Utilities		(201 723)	(157 644)
		(109 896 525)	(100 714 647)

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2010 / 2011

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