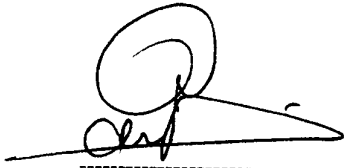


THE HOUSE  
(ASSOCIATION NOT FOR GAIN)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997

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**APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the management committee and signed on their behalf by the treasurer

A handwritten signature in black ink, consisting of a large, stylized 'Q' or 'O' shape at the top, followed by a series of loops and a long horizontal stroke extending to the right.

TREASURER

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE HOUSE

I have audited the annual financial statements set out on pages 3 to 5. These financial statements are the responsibility of the association's management committee. My responsibility is to report on these financial statements.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. An audit includes an evaluation of appropriateness of the accounting policies, an examination, on a test basis, of evidence supporting amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the overall financial statement presentation. I consider that my audit procedures were appropriate in the circumstances to express my opinion presented below.

In common with similar organisations, it is not feasible for the society to institute accounting controls over cash collections from donations, collections and jumble sales prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for me to extend my examination beyond the receipts actually recorded.

Except for the above, in my opinion these financial statements fairly present the financial position of the association at 31 March 1997, and the results of its operations for the year then ended.



Retief Smith & Kie  
C.A.(S.A.)  
Pretoria  
19 January 1998

THE HOUSE  
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ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997

	<u>Notes</u>	1997 R	1996 R
<b>FUNDS EMPLOYED</b>			
Surplus of funds		278 682	45 765
Long term liabilities	2	<u>94 848</u>	<u>95 956</u>
		<b><u>373530</u></b>	<b><u>141 721</u></b>
 <b>EMPLOYMENT OF FUNDS</b>			
Fixed property	3	100 000	100 000
Fixed assets	4	21 012	21 012
Current assets		<u>252 518</u>	<u>20 709</u>
Current bank account		9 930	16 832
Cal/account		217652	1137
Cash on hand		1 090	2 740
Prepaid expenses		<u>23 846</u>	
		<b><u>373530</u></b>	<b><u>141 721</u></b>

THE HOUSE  
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 FOR THE YEAR ENDED 31 MARCH 1997

	<b>1997</b>	<b>1996</b>
	<b>R</b>	<b>R</b>
<b>INCOME</b>	<b>701 627</b>	<b>203 845</b>
Donations, grants and collections	693307	200581
Interest received	8 320	3 264
<b>EXPENDITURE</b>	<b>468710</b>	<b>199063</b>
Bank charges	724	218
Chapel project		2374
Drop-in charges	5 615	
Electricity and water	8 225	4 944
Fund-raising cost and consultancy	144420	62305
General expenses	348	1 858
Groceries	51 087	11 102
Insurance	3321	1 304
Interest paid	18 900	17 508
Intombi shelter	3 242	-
Maintenance and accommodation	56 704	5 644
Motor vehicle expenses	6 631	12 250
Printing and stationary	6 687	10 408
Salaries and wages	145620	57082
Transfer costs		5 000
Telephone and fax	<u>17 186</u>	<u>7 066</u>
<b>SURPLUS FOR THE YEAR</b>	<b>232 917</b>	<b>4 782</b>
<b>SURPLUS AT BEGINNING OF THE YEAR</b>	<b><u>45765</u></b>	<b><u>40983</u></b>
<b>SURPLUS AT END OF THE YEAR</b>	<b><u>278682</u></b>	<b><u>45765</u></b>

THE HOUSE  
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**1 Accounting policy**

The financial statements are prepared on the historical cost basis. No depreciation is provided on fixed property or fixed assets.

	<b>1997</b>	<b>1996</b>
	<b>R</b>	<b>R</b>
<b>2 Long-term liabilities</b>		
Mortgage loan	94 848	95 956
The mortgage loan is secured by a mortgage over the property (refer note 3)		
<b>3 Fixed property</b>		
Cost	1 00 000	100 000
Fixed property comprises of erf 275 Berea, Johannesburg		
<b>4 Fixed assets</b>		
Motor vehicles	20 000	20 000
Office equipment	<u>1 012</u>	<u>1 012</u>
Total	<b><u>21 012</u></b>	<b><u>21 012</u></b>