

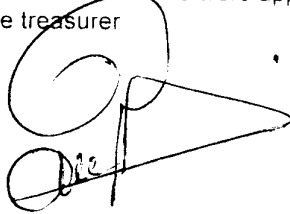
**THE HOUSE
(ASSOCIATION NOT FOR GAIN)**

**ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 1998**

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APPROVAL OF FINANCIAL STATEMENTS	

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



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)
) TREASURER
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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, and examination, on a test basis, of evidence supporting amounts and disclosures included in the financial statements, and 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 as at 31 March 1998, and the results of its operations for the year then ended.

Smith & Oosthuysen CA (S.A)
Pretoria
9 February 1999

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BALANCE SHEET AT 31 MARCH 1998

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	Note	1998	1997
		R	R
FUNDS EMPLOYED			
SURPLUS OF FUNDS		284,948	278,682
LONG TERM LIABILITIES	2	<u>88,530</u>	<u>94,848</u>
		<u>373,478</u>	<u>373,530</u>
EMPLOYMENT OF FUNDS			
FIXED PROPERTY	3	175,000	100,000
FIXED ASSETS	4	116,333	21,012
CURRENT ASSETS		<u>116,110</u>	<u>252,518</u>
Current bank account			9,930
Call account		106,909	217,652
Cash on hand		1,354	1,090
Credit card		7,847	
Prepaid expenses		<u>-</u>	<u>23,846</u>
CURRENT LIABILITIES		33,965	-
Bank overdraft		31,465	-
Creditors		2,500	-
NET CURRENT ASSETS		<u>82,145</u>	<u>252,518</u>
		<u>373,478</u>	<u>373,530</u>

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**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 1998**

	Note	1998	1997
		R	R
INCOME		<u>514,227</u>	<u>701,627</u>
Donations, grants and collections		484,222	693,307
Interest received		30,005	8,320
EXPENDITURE		<u>507,961</u>	<u>468,710</u>
Audit fees		3,000	-
Bank charges		853	724
Boarding and schooling expenses		8,186	-
Computer expenses		5,806	-
Direct fundraising expenses		20,000	-
Depreciation		5,877	-
Drop-in charges		-	5,615
Electricity and water		16,297	8,225
Entertainment expenses		2,249	-
Fund raising costs and commission		81,500	144,420
Kulula life Skills pilot project		81,514	-
General expenses		995	348
Groceries		-	51,087
Insurance		6,412	3,321
Interest paid		26,351	18,900
Intombi shelter		-	3,242
Maintenance and accommodation		70,778	56,704
Medical expenses		354	-
Motor vehicle expenses		25,931	6,631
Printing and stationery		7,996	6,687
Salaries and wages		116,958	145,620
Telephone and fax		<u>26,904</u>	<u>17,186</u>
SURPLUS FOR THE YEAR		6,266	232,917
SURPLUS AT BEGINNING OF THE YEAR		278 682	45 765
		_____	_____
SURPLUS AT END OF THE YEAR		<u>284,948</u>	<u>278,682</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**

1. ACCOUNTING POLICY

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

	1998	1997
	R	R
2. LONG-TERM LIABILITIES		
Mortgage loan	88,530	94,848
The mortgage loan is secured by a mortgage over erf 275 Berea (refer note 3)		
3. FIXED PROPERTY		
Erf 275 Berea, Johannesburg at cost	100,000	100,000
Erf 277 Berea, Johannesburg at cost 1998	<u>75,000</u>	-
	<u>175,000</u>	<u>100,000</u>

4. FIXED ASSETS

Computer equipment		
At cost	5,000	
Accumulated depreciation	<u>(219)</u>	-
	<u>4,781</u>	-
Furniture and fittings		
At cost	55,844	
Accumulated depreciation	<u>(149)</u>	-
	<u>55,695</u>	-
Office equipment		
At cost	1,012	1,012
Accumulated depreciation	<u>(202)</u>	-
	<u>810</u>	<u>1,012</u>
Vehicles		
At cost	60,353	20,000
Accumulated depreciation	<u>(5,306)</u>	-
	<u>55,047</u>	<u>20,000</u>
TOTAL FIXED ASSETS	<u>116,333</u>	<u>21,012</u>

5. CONTINGENT LIABILITY

There is a dispute over interest payable on a mortgage loan over erf 277, Berea before the property was registered in the name of the association. If the dispute is not resolved in the associations favor it would result in an amount of R30 227 payable to the seller.