

FAMSA
FAMILY AND MARRIAGE SOCIETY OF SOUTH AFRICA
WESTERN CAPE
NPO: 002-888

ANNUAL FINANCIAL STATEMENTS

31ST MARCH 2006

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CHARTERED ACCOUNTANTS (SA)

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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF FAMSA - FAMILY AND MARRIAGE SOCIETY OF SOUTH AFRICA
- WESTERN CAPE

We have audited the annual financial statements set out on pages 2 to 8. These financial statements are the responsibility of the Committee. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In common with similar organisations, it is not feasible for the organisation to institute adequate accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Except for the effects of any adjustments which might have been necessary had it been possible for us to extend our examination of cash collections from donations, in our opinion the annual financial statements fairly present the financial position of the Family and Marriage Society of South Africa - Western Cape at 31st March 2006 and the result of its operations and cash flow information for the year then ended in conformity with generally accepted accounting practice.

Katz, Salber & Co
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CHARTERED ACCOUNTANTS (SA)
REGISTERED ACCOUNTANTS AND AUDITORS

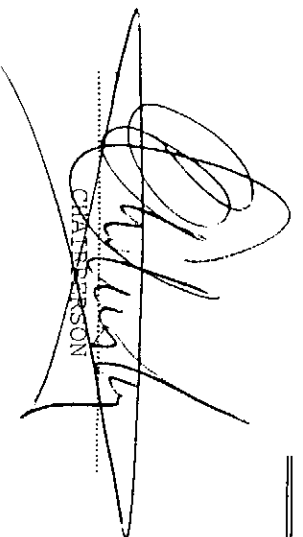
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 WESTERN CAPE - NPO 002-888

BALANCE SHEET AS AT 31ST MARCH 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	3	3 453 837	1 762 773
Investments		1 586 334	1 575 571
		1 867 503	187 202
Specific Funds	4(a)	1 861 941	181 352
Trust Funds	4(a)	3 000	3 000
Other	4(b)	2 562	2 850
CURRENT ASSETS		152 928	713 529
Sundry Debtors and Deposits	5	73 551	37 810
Cash at Bank and on Hand	4(a)	79 377	675 719
TOTAL ASSETS		R 3 606 765	R 2 476 302
FUNDS AND LIABILITIES			
FUNDS AND RESERVES			
Distributable Reserves	6(a)	41 576)	158 947
Non Distributable Reserves	6(b)	1 520 345	1 520 345
Specific Funds	7	1 861 941	181 352
Trust Funds	8	3 000	3 000
CURRENT LIABILITIES		263 055	612 658
Accounts Payable		84 540	395 048
Income Received in Advance		178 515	217 610
TOTAL FUNDS & LIABILITIES		R 3 606 765	R 2 476 302

K.S.G.


 CHARLISON


 HONORARY TREASURER

CAPE TOWN
 15 July 2006

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INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
INCOME		4 173 053	4 258 758
Subsidy: Provincial Administration: Western Cape Department of Social Services Grants: Community Chest		1 349 546 219 420	1 433 545 195 060
Bellville Cape Town Guguletu		39 420 109 800 70 200	35 040 97 620 62 400
Interest Receivable Professional Services and Educational Work General and Specific Fund Raising, Donations and Poverty Relief Dividends Received HIV Aids project:		12 847 391 453 1 010 780 515	12 775 258 127 1 298 797 190
- Provincial Administration Western Cape - Department of Health, Metrople Region		987 315	956 020
Lay Counsellors, Co-Ordinators & Core Costs Life Skills & Family Foundation Excess from prior year received this year		928 500 12 000 46 815	927 520 28 500 -
National Department of Health: Ministers of Religion		206 984	76 240
Other Income		3 290	10 332
Profit on asset		288	16 899
Subscriptions		615	863

	<u>2006</u>	<u>2005</u>
LESS: EXPENDITURE	4 373 576	4 130 420
Salaries, Pension, Medical Aid and UIF Salaries: Seasonal Workers Project Funding - HIV Aids, Family Foundation and Poverty Relief Rent	2 963 608 246 435	2 908 128 232 990
Affiliation & Registration Fees Audit and Accounting Fees Bank Charges Computer Expenses Electricity, Rates & Water Insurances Interest & Bond Registration Costs Library Books written off Maintenance, Repairs & Cleaning Services Motor Vehicle Expenditure Postage & Telephone Printing, Stationery & Advertising Professional Services Research Security Services Subsistence, Travelling and Transport Depreciation	561 585 75 955 339 32 459 15 982 31 324 18 251 34 824 24 4 220 43 147 15 592 133 650 58 793 25 835 3 250 4 774 16 451 86 668	375 192 68 252 555 16 500 22 747 40 949 25 274 25 114 34 3 284 49 047 24 753 94 827 71 912 41 158 7 011 48 071 74 622
NET (DEFICIT)/SURPLUS	R 200 523	R 128 338

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STATEMENT IN CHANGES IN FUNDS FOR THE YEAR ENDED 31ST MARCH 2006

	DISTRIBUTABLE RESERVES	NON DISTRIBUTABLE RESERVES	SPECIFIC FUNDS	TRUST FUNDS	TOTAL
Balance at 01 April 2004	30 609	1 505 371	115 207	3 000	1 654 187
Net Surplus for the year	128 338	-	-	-	128 338
Transfers In during year	-	14 974	181 500	-	196 474
Transfers out during year	-	-	(115 355)	-	(115 355)
Balance at 31 March 2005	<u>158 947</u>	<u>1 520 345</u>	<u>181 352</u>	<u>3 000</u>	<u>1 863 644</u>
Net Deficit for the year	(200 523)	-	-	-	(200 523)
Transfers In during year	-	-	1 878 578	-	1 878 578
Transfers out during year	-	-	(197 989)	-	(197 989)
Balance at 31 March 2006	<u>R (41 576)</u>	<u>R 1 520 345</u>	<u>R 1 861 941</u>	<u>R 3 000</u>	<u>R 3 343 710</u>

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
CASH FLOW FROM OPERATING ACTIVITIES		(498 999)	(105 849)
Cash receipts		4 123 949	4 215 606
Cash paid to suppliers and employees		(4 636 310)	(4 334 420)
Net cash utilised in operations	a	(512 361)	(118 814)
Interest receivable		12 847	12 775
Dividends received		515	190
CASH FLOW FROM INVESTMENT ACTIVITIES		(97 631)	(67 915)
Additions to Fixed Assets		(97 631)	(67 915)
CASH FLOW FROM FINANCE ACTIVITIES		1 680 589	80 247
Increase in Specific Funds		1 680 589	66 145
Increase in Non Distributable Reserves		-	14 974
(Decrease) in Non-Current Liabilities		-	(272)
Net increase/(decrease) in cash and cash equivalents		<u>1 083 959</u>	<u>(92 917)</u>
Cash and Cash Equivalents at the beginning of the period		862 921	955 838
Cash and cash equivalents at the end of period	b	<u>R 1 946 880</u>	<u>R 862 921</u>

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

a. RECONCILIATION OF NET PROFIT/LOSS TO CASH UTILISED IN OPERATIONS

Net (Deficit)/Surplus	(200 523)		128 338
Adjustment for:			
Depreciation	86 868		74 622
Interest receivable	(12 847)		(12 775)
Dividends received	(515)		(190)
Operating (loss)/profit before working capital changes	<u>(127 017)</u>		<u>189 995</u>
Working capital changes	(385 344)		(308 809)
Debtors (increase)	(35 741)		(30 187)
Creditors (decrease)	<u>(349 603)</u>		<u>(278 622)</u>
Cash utilised in operation	<u>R (512 361)</u>		<u>R (118 814)</u>

b. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of Balances with Banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Investments	1 867 503		187 202
Cash at Bank	79 377		675 719
	<u>R 1 946 880</u>		<u>R 862 921</u>

H.S.G.

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NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2006

1. BASIS OF PREPARATION

The annual financial statements are prepared in accordance with the requirements of Statements of Generally Accepted Accounting Practice. The measurement basis is historical cost. The financial statements are prepared on a going concern basis.

2. ACCOUNTING POLICIES

There have been no changes in the accounting policies during the period.

The following are the principle accounting policies used in the preparation of the financial statements:

2.1 Fixed Assets - Movable

Movable assets are depreciated on the straight line basis over their expected useful lives which are:

- Computer Equipment 4 years
- Furniture and Equipment 4 years
- Motor Vehicles 5 years
- Library Books Written down to a nominal value of R1

2.2 Fixed Assets - Immovable

The immovable property consists of Land & Buildings at 9 Bowden Road, Observatory being erf 27127 and vacant land being erven 29435, 29436 and 29454 Khayelitsha. Land and Buildings are not depreciated.

2.3 Revenue Recognition

Revenue is generally recognised when it is probable that economic benefits will flow to the organisation and the amount of revenue and cost in respect of the transaction can be measured reliably.

3. FIXED ASSETS

	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Owned assets			
Computer Equipment	111 877	79 280	32 597
Furniture & Equipment	133 150	107 933	25 217
Motor Vehicles	251 934	126 685	135 249
Library Books	1	-	1
Land & Buildings	1 393 270	-	1 393 270
	<u>R 1 900 232</u>	<u>R 313 898</u>	<u>R 1 586 334</u>

The carrying amounts of fixed assets can be reconciled as follows:

	CARRYING VALUE AT THE BEGINNING OF THE YEAR	ADDITIONS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
Owned assets				
Computer Equipment	34 240	16 995	19 638	32 597
Furniture & Equipment	33 291	11 276	19 350	25 217
Motor Vehicles	156 109	28 000	48 860	135 249
LIBRARY BOOKS	1	-	-	1
Land & Buildings	1 351 910	41 360	-	1 393 270
	<u>R 1 575 571</u>	<u>R 97 631</u>	<u>R 86 848</u>	<u>R 1 586 334</u>

Famsa has been granted R 3 071 140 from the National Lottery Board to construct an office in Khayelitsha. To date Famsa has received R 1 535 573 and has entered into an agreement with Cooke, De Faveré & Adams Architects for services to the value of R 206 148 vat inclusive.

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NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2006

	<u>2006</u>	<u>2005</u>
4 INVESTMENTS		
4 (a) Savings	1 490 634	265 756
Cash at Bank and on Hand	453 684	594 315
	<u>R 1 944 318</u>	<u>R 860 071</u>
Comprising:		
Specific Funds	1 861 941	181 352
Trust Funds	3 000	3 000
Other	<u>79 377</u>	<u>675 719</u>
	<u>R 1 944 318</u>	<u>R 860 071</u>
4 (b) 475 Sanlam shares - Market Value	<u>R 7 046</u>	<u>R 5 767</u>
5 SUNDRY DEBTORS AND DEPOSITS		
Sundry Debtors	R 73 551	<u>R 37 810</u>
6 (a) DISTRIBUTABLE RESERVES		
Accumulated Funds	(124 976)	75 547
Balance at beginning of year	75 547	(52 791)
Net Surplus/(Deficit)	<u>(200 523)</u>	<u>128 338</u>
Contingency Reserve	83 400	83 400
	<u>R (41 576)</u>	<u>R 156 947</u>
6 (b) NON DISTRIBUTABLE RESERVES		
Building Fund - Fixed Property	1 351 910	1 351 910
Opening Balance	1 351 910	1 336 936
Transfer this year	<u>-</u>	<u>14 974</u>
Motor Vehicle - Condor	168 435	168 435
Opening Balance	168 435	168 435
Transfer this year	<u>-</u>	<u>-</u>
	<u>R 1 520 345</u>	<u>R 1 520 345</u>

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NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2006

7 **SPECIFIC FUNDS** 2006 2005

Funds raised and donations received for specific projects are credited directly to these funds.

Building Fund	1 577 045	-
Balance at beginning of year	-	-
Funding from National Lottery Board	1 535 573	-
Less: Payments	(6 491)	-
Transfer interest from income statement	47 963	-

Food Parcel Fund	232 885	106 441
Balance at beginning of year	106 441	-
Additions	295 042	181 500
Less: Payments	(168 598)	(75 059)
Transfer interest from income statement	-	-

Condor Fund	-	22 900
Balance at beginning of year	22 900	48 222
Additions	-	-
Less: Payments	(22 900)	(25 322)
Transfer interest from income statement	-	-

Capital Expenditure Fund	25 911	25 911
Balance at beginning of year	25 911	40 885
Less: Payments	-	(14 974)
Transfer interest from income statement	-	-

Development of Trauma Services Fund	15 000	15 000
Development Projects	7 500	7 500
Training Fund	3 600	3 600
	<u>R 1 861 941</u>	<u>R 1 81 352</u>

TRUST FUNDS		
Barbara Zuidmeer Trust	1 000	1 000
Barbara Zuidmeer Library Trust	1 000	1 000
Elaine Rutledge Trust	1 000	1 000
	<u>R 3 000</u>	<u>R 3 000</u>

MORTGAGE BOND	R -	R -
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The first mortgage bond over the immovable property is registered with ABSA Bank Ltd for R 150 000. This loan was raised to cover short term cash shortages. All FAMSA's right, title and interest in Multimar III policy with Mutual and Federal was ceded to ABSA Bank Ltd.

10 AUDIT AND ACCOUNTING FEES		
Current year fees	25 000	13 000
Prior year underprovision	1 450	3 500
	<u>R 32 450</u>	<u>R 16 500</u>

H. S. G.