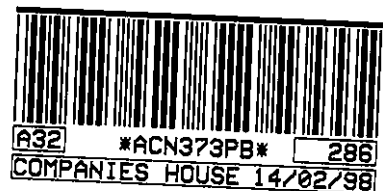


COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)

Trading as:

COMMUNITY H.E.A.R.T.

FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 30TH APRIL, 1997



COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
CHARITY REGISTRATION NUMBER: 1052817
DIRECTORS' REPORT

DIRECTORS: Ms. J.E. Coker
Mr. B.F. Filling
Mr. R.R. Bruce
Ms. K. Markus

SECRETARY: Mr. D.T. Goldberg

REGISTERED OFFICE: 8, Huntingdon Road, London, N2 9DU.

COMPANY NUMBER: 3016170

BANKERS: Midland Bank Plc,
25, Islington High Street,
London, N1 9LJ.

ADDRESS FOR ENQUIRIES: P.O. Box 6504,
Room 2/3,
64, Essex Road,
London, N1 8LR.

The directors present their report with the financial statements of the company for the year ended 30th April, 1997.

CHARITABLE OBJECTIVES

Our principal objective is to preserve and protect the mental and physical health and assist with the education of people in what used to be called the Front Line States of Southern Africa and also to help with the alleviation of poverty in those countries. Effectively, at this moment we are helping to overcome the legacy of deprivation in the aftermath of apartheid in South Africa.

To achieve our objectives we have formed relationships with organisations in South Africa which carry out such activities. We have decided that we shall not open an office in South Africa, but give support to selected organisations there and thus save enormous overheads involved. We shall carry out or commission evaluations of the projects where necessary.

We have also formed a relationship with the Glasgow Caledonian University's Department of Health Sciences to give us professional advice and guidance and to help us develop programmes in the field of health.

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING

(A company limited by guarantee)

Trading as:

COMMUNITY H.E.A.R.T.

CHARITY REGISTRATION NUMBER: 1052817

DIRECTORS' REPORT

REVIEW OF THE DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

During the year under review discussions with UNISON Local Government Service Group, The Library Association and Book Aid International about a "Book & 10p" project to collect one million books for the children of South Africa began to bear fruit. With ACTSA Scotland taking the lead 60,000 books were shipped to the Eastern Cape. About 100,000 books have been collected.

During the current financial year at the invitation of UNISON Welfare we joined with them, together with the Terrence Higgins Fund and Shelter in a payroll giving consortium called Interact for Change. The consortium is aimed at the 1.3 million members of UNISON. Developing a payroll giving scheme is a very long process. We do not think that there will be significant results for the next two years, but there is meaningful potential.

We had the beginnings of support for our campaign to provide second user computers for education in South Africa from Goldman Sachs, Lloyds of London, Investec and Prebon Yamane. Our appeal went out with a covering letter from His Excellency Mendi Msimang, the South African High Commissioner in London. In the financial year we obtained about 20 computers. Since the end of the year we have actually shipped a total of 108 computers. The first 18 computers have gone to Rhodes University, Department of Journalism and Media Studies. It is the only such department at this level in South Africa. It prepares media workers for mainstream media employment, for work in various frontline government departments, such as health, education, welfare and housing. It also makes a point of encouraging members of community based organisations and schools to acquire media skills. The South African Government has waived customs and excise duties.

Safmarine Corporation kindly carried the first 18 computers free of charge as captain's cargo. We shall report on the progress of the project in our next annual report.

We were able to provide emergency help to the Cape Mental Health Association at a time when they would otherwise have to shut down their care for severely disabled children. Similarly we were able to provide help for the Umthathi project in Grahamstown.

We are continuing to raise funds for Umthathi which teaches market gardening, small business skills, home nutrition and various other activities designed to alleviate the social problems arising from unemployment which is running at approximately 70 per cent of the adult population.

Rape Crisis in Cape Town has been the main beneficiary having received over £80,000 from a grant made to us by Comic Relief.

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
CHARITY REGISTRATION NUMBER: 1052817
DIRECTORS' REPORT

REVIEW OF THE TRANSACTIONS AND FINANCIAL POSITION

Community H.E.A.R.T has continued to grow with the help of our supporters. AS you will see our gross income for the year has reached nearly £142,000 compared with £59,000 in our first year. We were able to make grants of £93,500 compared with £20,000 in the previous year. We were able at the same time to hold our costs of management and administration at about £14,000 for the year.

We have carried forward an amount of £46,700 into the next financial year.

REVIEW OF ONGOING POSITION

A considerable part of the funds retained at the year end, have been earmarked for particular projects which should begin to function during the next financial year. The Mathematics and Sciences Bus project is one of them.

Mathematics and the sciences were seriously neglected in historically black education in South Africa. This project is being managed by the Basic Sciences Department of MEDUNSA near Pretoria. It will teach mathematics and the sciences to 1,500 high school students in ten schools. Professional educators in Britain have given wonderful support during the year, for example, the Education Institute of Scotland has given approximately £11,000, the Scottish Secondary Teachers Association donated £1,600, whilst the Association of University Teachers contributed nearly £4,000. A memorial fund was set up to honour the late Hannah Stanton, who played a significant role in South Africa and was expelled by the apartheid authorities in the early 1960's. This fund directly and indirectly contributed £3,550 to our project. Of course many others have contributed as well, including HAMBROS Bank and Clydesdale Bank.

We are grateful to them. Their contributions made it possible for the project to obtain matching funding from South African Corporations including Anglo American and De Beers, First National Bank, SANLAM AND ISCOR the iron and steel manufacturer. It pleases us to see the spread of support internationally and from individuals and institutes, trade unions and corporations.

We need to expand our donor base and we need to look to funding from major donors. At the end of the financial year under review we had reached the point where we needed to expand our staffing or simply drown in the sea of administrative work. We have employed more staff and we have had voluntary support, the details of which must wait for the next annual report.

We are pleased with our progress and hope we can sustain it.

FIXED ASSETS

The changes in fixed assets during the period are summarised in the notes to the financial statements.

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
CHARITY REGISTRATION NUMBER: 1052817
DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors of the company at 30th April, 1997 are listed above and are all members of the company.

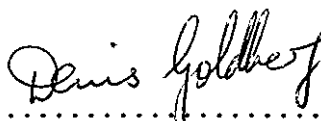
DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board


.....
Secretary

22/12/97
.....
Date

ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF
COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.

We report on the accounts for the year ended 30th April, 1997 set out on pages 6 to 11 as required by Section 249A(2) of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4 the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:-

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

124/130, Seymour Place,
London, W1H 6AA.
5th February, 1998



BRIGHT GRAHAME MURRAY
Chartered Accountants
Reporting Accountants

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH APRIL, 1997

	<u>Notes</u>	Year ended 30th April, 1997	31st January, 1995 to 30th April, 1996
		£	£
INCOMING RESOURCES			
Investment income	2	1,482	259
Donations and gifts		<u>140,465</u>	<u>59,086</u>
TOTAL INCOMING RESOURCES		141,947	59,345
 RESOURCES EXPENDED			
Direct charitable expenditure	3	93,519	20,276
Fundraising and publicity	4	7,634	4,674
Management and administration	5	<u>14,080</u>	<u>14,410</u>
TOTAL RESOURCES EXPENDED		<u>115,233</u>	<u>39,360</u>
NET INCOMING RESOURCES FOR THE FINANCIAL YEAR		26,714	19,985
 Total funds brought forward		<u>19,985</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD	9	46,699	19,985
		=====	=====

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the above statement.

The attached notes 1 to 10 form part of these financial statements.

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
BALANCE SHEET AT 30TH APRIL, 1997

	<u>Notes</u>	£	<u>1997</u>	£	£	<u>1996</u>	£
FIXED ASSETS							
Tangible assets	6			2,904			2,871
CURRENT ASSETS							
Debtors	7		7,380			5,000	
Cash at bank and in hand			64,949			17,096	
			<u>72,329</u>			<u>22,096</u>	
CREDITORS: amounts falling due within one year	8		<u>28,534</u>			<u>4,982</u>	
NET CURRENT ASSETS				<u>43,795</u>			<u>17,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				46,699			19,985
				=====			=====
FUNDS							
Unrestricted funds				46,699			19,985
				=====			=====

.....) Director
) Director

.....) Director
) Director

Approved on.....22/12/97.....

The attached notes 1 to 10 form part of these financial statements.

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 1997

1. ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards. Additionally, the financial statements comply with Statement of Recommended Practice - Accounting by Charities.

INCOME

Bank interest is included in the statement of financial activities on receipt.

Donations and gifts are included in full in the statement of financial activities as soon as they are received.

EXPENDITURE

All expenditure is included in the statement of financial activities on an accruals basis.

DEPRECIATION

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Office equipment - 15% reducing balance basis
 Computer equipment - 25% reducing balance basis

GRANTS PAYABLE

These are in accordance with the stated objectives of the Charity.

2. INVESTMENT INCOME

Bank interest

Year ended 30th April, 1997	31st January, 1995 to 30th April, 1996
£	£
1,482	259
=====	===

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
Trading as:
COMMUNITY H.E.A.R.T.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 1997

	Year ended 30th April, 1997 £	31st January, 1995 to 30th April, 1996 £
3. DIRECT CHARITABLE EXPENDITURE		
Grants payable:-		
The Friends of the Johannesburg Art Gallery	-	824
Medunsa Trust	7,728	19,452
Cape Mental Health	2,444	-
Umthathi	3,000	-
Rape Crisis	80,347	-
	93,519	20,276
	=====	=====
4. FUNDRAISING AND PUBLICITY		
Publications	1,469	2,462
Travelling expenses	611	771
Catering	-	1,258
General expenses	116	183
Consultancy	4,263	-
Advertising	1,175	-
	7,634	4,674
	=====	=====
5. MANAGEMENT AND ADMINISTRATION EXPENSES		
Secretarial	-	3,360
Telephone and fax	1,953	2,583
Accountancy	1,550	800
Printing, postage and stationery	1,407	1,902
Office rental	2,500	2,708
Travelling expenses	-	526
Bank charges	220	54
Hire of equipment	-	937
Sundries	49	176
Cleaning	186	69
Legal and professional	-	168
Depreciation	811	1,127
Consultancy	5,091	-
Companies House	133	-
Computer installation	180	-
	14,080	14,410
	=====	=====

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
(A company limited by guarantee)
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COMMUNITY H.E.A.R.T.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 1997

6. TANGIBLE FIXED ASSETS

	<u>Office equipment</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost:			
At 1st May, 1996	975	3,023	3,998
Additions	<u>382</u>	<u>462</u>	<u>844</u>
At 30th April, 1997	<u>1,357</u>	<u>3,485</u>	<u>4,842</u>
Depreciation:			
At 1st May, 1996	183	944	1,127
Provided during the year	<u>176</u>	<u>635</u>	<u>811</u>
At 30th April, 1997	<u>359</u>	<u>1,579</u>	<u>1,938</u>
Net book value:			
At 30th April, 1997	998	1,906	2,904
	===	=====	=====
Net book value:			
At 30th April, 1996	792	2,079	2,871
	===	=====	=====

7. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Income tax reclaimable	6,896	4,583
Prepayments	<u>484</u>	<u>417</u>
	7,380	5,000
	=====	=====

8. CREDITORS: amounts falling due within one year

Other creditors	27,124	3,600
Accruals	<u>1,410</u>	<u>1,382</u>
	28,534	4,982
	=====	=====

COMMUNITY HEALTH EDUCATION AND RECONSTRUCTION TRAINING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 1997

9. RECONCILIATION OF MOVEMENTS IN RETAINED FUNDS	<u>1997</u> £	<u>1996</u> £
Balance at 1st May, 1996	19,985	-
Surplus for the financial year	<u>26,714</u>	<u>19,985</u>
Balance at 30th April, 1997	46,699	19,985
	=====	=====

10. COMPANY STATUS

Community Health Education and Reconstruction Training is a company limited by guarantee. The liability of each member of the company in the event of its winding up is limited to £1 per member. At 30th April, 1997 the company had four members.