

LIFELINE PIETERMARTZBURG
(NPO Number: 002-128)
Trading as Lifeline and Rape Crisis

Financial Statements
for the year ended 28 February 2011

**LIFELINE PIETERMARTZBURG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2011**

The reports and financial statements set out below comprise the annual financial statements presented to the members:

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The annual financial statements and other financial information set out in this annual report were prepared by management in conformity with South African Generally Accepted Accounting Practice applied on a consistent basis throughout the year.

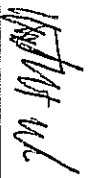
Management is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets and liabilities, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of management to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the management to indicate that the association will not remain a going concern for the foreseeable future.

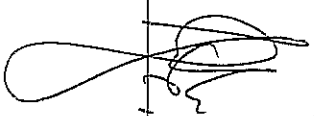
The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the management committee.

MANAGEMENT'S APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

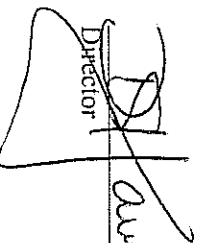
The annual financial statements set out on pages 4 to 15 are the responsibility of the management committee and were approved by them on 28 June 2011 and signed on their behalf by:



Chairperson



Treasurer



Director



PO Box 13984
Cascades 3202
South Africa

Deloitte & Touche
Registered Auditors
Audit - KZN
No 7 Bush Strike Close
Suite 22 2nd Floor East Block
Victoria Country Club Estate
Montrose Office Park Village
Pietermaritzburg 3201
Dorex 14 Pietermaritzburg
Tel: +27 (0)33 347 0362
Fax: +27 (0)33 347 0585
www.deloitte.com

Independent Auditor's Report

To the Management Board of LifeLine Pietermaritzburg

We have audited the financial statements of LifeLine Pietermaritzburg, which comprise the statement of financial position at 28 February 2011 and the statements of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 15.

Management Board's Responsibility for the Financial Statements

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with South African Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

National Executive: GG Sainth Chief Executive, AE Swiegers Chief Operating Officer, GM Pinnock Audit
DL Kennedy Risk Advisory, NB Kelder Tax & Legal Services, L Geertrigh Consulting, L Bam Corporate Finance
JK Mazzocco Human Resources, CR Beukman Finance, TJ Brown Clients, NT Mumba Chairman of the Board
MJ Comber Deputy Chairman of the Board
Regional Leader: GC Bezler

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor/AAA (certified by Empowerdex)

Member of Deloitte Touche Tohmatsu Limited

Independent Auditor's Report (continued)

To the Management Board of Lifeline Pietermaritzburg

Controls over cash collections

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

Opinion

In our opinion, the financial statements of Lifeline Pietermaritzburg for the year ended 28 February 2011 have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 the financial statements.

Emphasis of matter

Without qualifying our opinion, we emphasise that the basis of accounting and the presentation and disclosures contained in the financial statements are not intended to, and do not, comply with all the requirements of South African Generally Accepted Accounting Practice.



Deloitte & Touche
Registered Auditors
Per D McAArthur
Partner

20 June 2011

LIFELINE PIETERMARITZBURG
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		R	R
Revenue		5 584 671	4 822 464
Lifeline Core		404 222	691 265
AIDS Wellness		1 925 876	2 240 978
Gender Wellness		1 929 073	1 890 220
Lottery		1 325 500	-
Investment income		220 152	204 618
Expenditure		5 498 781	4 206 000
Lifeline Core		171 707	747 853
AIDS Wellness		1 423 293	2 410 251
Gender Wellness		2 578 349	1 047 896
Lottery		1 325 432	-
Net surplus for the year		306 042	821 082
Other comprehensive income		-	-
Total comprehensive income for the year		<u>306 042</u>	<u>821 082</u>

LIFELINE PIETERMARITZBURG
STATEMENT OF FINANCIAL POSITION
as at 28 February 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		R	R
Assets			
Non-Current Assets			
Property, plant and equipment	2	500 001	500 001
Sustainability funds	3	2 135 729	522 743
		<u>2 635 730</u>	<u>1 022 744</u>
Current Assets			
Trade and other receivables	4	66 608	101 829
Loans to employees		2 767	1 550
South African Revenue Services –VAT		80 086	-
Cash and cash equivalents	5	1 945 351	2 654 806
		<u>2 094 812</u>	<u>2 758 186</u>
Total Assets		<u><u>4 730 542</u></u>	<u><u>3 780 930</u></u>
Equity and Liabilities			
Funds			
Core/General		2 058 160	1 605 493
AIDS/Wellness		1 717 256	1 214 673
Gender Wellness/Rape Crisis		163 709	812 985
Lottery		68	-
		<u>3 939 193</u>	<u>3 633 151</u>
Liabilities			
Current Liabilities			
Funding received in advance	7	525 805	76 281
Trade and other payables	9	169 530	68 213
Cash and cash equivalents	5	96 014	3 286
		<u>791 349</u>	<u>147 780</u>
Total Equity and Liabilities		<u><u>4 730 542</u></u>	<u><u>3 780 930</u></u>

LIFELINE PIETERMARITZBURG
STATEMENT OF CHANGES IN FUNDS
for the year ended 28 February 2011

	<u>Core</u> R	<u>AIDS</u> <u>Wellness</u> R	<u>Gender</u> <u>Wellness</u> R	<u>Lottery</u> R	<u>Total</u> R
2011					
Balance at the beginning of the year	1 605 493	1 214 673	812 985	-	3 633 151
Surplus/(deficit) for the year	452 667	502 583	(649 276)	68	306 042
Balance at the end of the year	<u>2 058 160</u>	<u>1 717 256</u>	<u>163 709</u>	<u>68</u>	<u>3 939 193</u>

2010

Balance at the beginning of the year	1 457 463	1 383 946	(29 340)	-	2 812 069
Surplus/(deficit) for the year	148 030	(169 273)	842 325	-	821 082
Balance at the end of the year	<u>1 605 493</u>	<u>1 214 673</u>	<u>812 985</u>	<u>-</u>	<u>3 633 151</u>

LIFELINE PIETERMARITZBURG
CORE REVENUE AND EXPENDITURE
for the year ended 28 February 2011

	<u>Notes</u>	
	<u>2011</u>	<u>2010</u>
	R	R
Revenue	404 222	691 265
Community chest	38 500	29 500
Corporate counselling	-	20
Donations	56 344	74 129
Fund raising income	140 537	69 540
Membership fees	7 123	50
Recovery of core expenditure from projects	111 643	215 902
Rental received	50 075	34 624
Training income	-	267 500
Operating Expenses	171 707	747 853
Accounting/audit fee	30 000	24 163
Advertising and publicity	1 013	7 559
Bad debts	12 862	4 638
Bank charges	4 984	17 807
Communication	9 376	39 771
Computer expenses	7 517	23 942
Conference costs	11 468	10 612
Consulting and management fees	-	12 951
Dedication ceremony costs	550	3 780
Fundraising/business development costs	-	3 218
ICCO Evaluation	-	4 885
Insurance	1 613	10 791
Interest paid	-	3 528
Refreshments and cleaning	12 253	39 727
Repairs and maintenance	6 550	14 121
Salaries and wages	51 274	379 502
Security	5 101	5 669
Staff costs	17 488	37 358
Subscriptions	690	9 651
Sundry expenses	(1 032)	88 048
Web design and maintenance	-	6 104
Net surplus/(deficit) from operations	232 515	(56 588)
Investment income	220 152	204 618
Net surplus for the year	<u>452 667</u>	<u>148 030</u>

LIFELINE PIETERMARITZBURG
AIDS WELLNESS REVENUE AND EXPENDITURE
for the year ended 28 February 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		R	R
Revenue		1 925 876	2 240 978
AIDS Wellness		1 925 876	2 240 978
Department of Social Welfare		305 771	294 813
External workshops and talks		233 499	7 902
Mother to Mother		13 000	47 837
Other		-	5 046
Peppar		1 009 245	1 600 440
<i>Project income</i>			
- Hulamin – Thokozeni		100 000	100 000
- Umsobomvo		265	90 056
- Training and other		264 096	94 885
Operating Expenses		1 423 293	2 410 251
AIDS Wellness Management		1 423 293	2 410 251
Contribution to core expenditure		-	56 480
Internal training expenses		5 967	267 500
Other expenses		195 193	-
Salaries and wages		5 871	161 854
Subsistence and travel		-	2 161
VCT testing expenses			1 302
<i>Project expenses</i>			
- Peppar		1 009 243	1 685 673
- Training		169 619	101 535
- Hulamin - Thokozeni		37 400	133 745
Net surplus/(deficit) for the year		<u>502 583</u>	<u>(169 273)</u>

LIFELINE PIETERMARTZBURG
GENDER WELLNESS REVENUE AND EXPENDITURE
for the year ended 28 February 2011

	<u>2011</u>	<u>2010</u>
	R	R
Revenue	1 929 073	1 890 220
Care packs	-	6 468
Ireland Aid	251 689	313 342
Elton John Foundation	81 718	220 246
First Rand Foundation	300 000	388 060
Ford Foundation	734 360	690 248
Foundation for Human Rights	71 478	-
Income from other sources	-	560
KZN Social Department	161 083	49 564
Terres Des Hommes	101 528	-
UNODC	227 217	221 733
Operating Expenses	2 578 349	1 047 896
Gender Wellness Expenses	2 578 349	1 047 896
Care packs	-	3 982
Salaries and wages	44 881	270 303
Sundry expenses	33 290	-
Project expenses	710 699	111 118
- FNB	265 453	240 843
- Ireland Aid	392 376	95 744
- UNODC	773 474	197 263
- Ford Foundation	109 142	-
- TCC	-	55 238
- KZN Social Development	86 840	73 405
- Elton John Foundation	101 526	-
- Terres Des Hommes	60 668	-
- FHR	-	-
Net (deficit)/surplus for the year	(649 276)	842 325

LIFELINE PIETERMARITZBURG
LOTTERY REVENUE AND EXPENDITURE
for the year ended 28 February 2011

	<u>Notes</u>	<u>2011</u>
		R
Revenue		1 325 500
National Lottery Trust		1 325 500
Operating Expenses		1 325 432
Accounting/Audit fees		66 345
Advertising		14 563
Bank charges		4 665
Cleaning, clothing and laundry		37 171
Electricity and water		34 571
Insurance		26 000
Mentorship		77 080
Planned expenditure		147 277
Printing, stationery and postage		94 130
Repairs and maintenance		97 336
Salaries		502 068
Staff costs		27 648
Stipends		111 485
Sundry expense		21 742
Website maintenance and development		63 351
Net surplus for the year		68

LIFELINE PIETERMARITZBURG
STATEMENT OF CASH FLOWS
for the year ended 28 February 2011

	<u>Notes</u>	
	2011	2010
	R	R
Cash generated from operating activities	958 078	663 815
Surplus from operations	306 042	821 082
General Fund	452 667	148 030
AIDS Wellness Fund	502 583	(169 273)
Gender Wellness/Rape Crisis Fund	(649 276)	842 325
Lottery	68	-
Adjusted for:	(72 875)	(204 618)
Depreciation	147 277	-
Sustainable investment income	(220 152)	(204 618)
Cash utilised by operations	233 167	616 464
Investment income	220 152	204 618
Changes in working capital:	504 759	(157 267)
Trade and other receivables	(46 082)	195 938
Trade other payables	101 317	39 446
Funding received in advance	449 524	(392 650)
Cash utilised in investing activities	(1 760 262)	(42 005)
Acquisition of property, plant and equipment	(147 276)	-
Movement in sustainability funds	(1 612 986)	(42 005)
Net (decrease)/increase in cash and cash equivalents	(802 184)	621 810
Cash and cash equivalents at the beginning of the year	2 651 521	2 029 711
Cash and cash equivalents at the end of the year	1 849 337	2 651 521

LIFELINE PIETERMARTZBURG
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2011

1. ACCOUNTING POLICIES

- a) Revenue recognition**
- Revenue from donations, fund raising and other activities is recognised when funds are deposited with the organisation's bankers.
- Interest income is recognised on the accrual basis.
- Dividend income is recognised on the last day of registration in respect of listed shares.
- b) Property, plant and equipment**
- Property is stated at historical cost and is not depreciated as it is held for investment purposes. The cost of plant and equipment is written off in full on acquisition.
- c) Receivables**
- Receivables are carried at anticipated realisable value.
- d) Deferred revenue**
- Where funding has been received and expenditure is only to be incurred after the year end, the revenue is deferred until the funds are utilised.
- e) Cash and cash equivalents**
- Cash and cash equivalents comprise funds on deposit, bank and cash balances.
- f) Financial instruments**
- Financial instruments carried on the statement of financial position include investments, receivables, funds on deposit, bank and cash balances, payables, and deferred income.
- g) Investments**
- Investments are shown at market value. Losses or gains are shown in the Core Revenue and Expenditure Statement.
- h) Taxation**
- No provision is made for taxation as the organisation is not liable for tax under section 10(1)(cN) of the Income Tax Act.
- i) Expenditure**
- Expenditure is recorded when payment is made.

LIFELINE PIETERMARIITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2011

2. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings R	Motor Vehicles R	Furniture and Equipment R	Total R
2011				
Opening carrying value	500 000	-	1	500 001
- Cost	500 000	51 954	209 690	761 644
- Accumulated depreciation	-	(51 954)	(209 689)	(261 643)
Closing carrying value	500 000	-	1	500 001
2010				
Opening carrying value	500 000	-	1	500 001
- Cost	500 000	51 954	209 690	761 644
- Accumulated depreciation	-	(51 954)	(209 689)	(261 643)
Closing carrying value	500 000	-	1	500 001
- Cost	500 000	51 954	209 690	761 644
- Accumulated depreciation	-	(51 954)	(209 689)	(261 643)

Land and buildings comprise the value of fixed property situated at 8, 10, 12 and 14 Princess Street, Pietermaritzburg, currently leased by Lifeline from Community Care Centre. Lifeline has a contractual undertaking from Community Care Centre, stating that should Lifeline vacate the premises, one third of the market value of these premises will accrue to Lifeline. This undertaking arose as a result of a donation of premises at 383 Bulwer Street (previously owned by Lifeline) to Community Care Centre.

LIFELINE PIETERMARTZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2011

	<u>2011</u>	<u>2010</u>
	R	R
3. SUSTAINABILITY FUNDS		
Investec	1 061 212	-
BOE	1 016 365	-
Ovation Global Investment Services		
- Unit Trusts	1 625	46 029
- Receivable	37 072	357 259
Community Chest Consortium	-	100 000
Commshare Old Mutual	19 455	19 455
	<u>2 135 729</u>	<u>522 743</u>

The unit trusts are under curatorship but have been partially realised during the year. 10% of the market value of investments is likely to be lost on final winding up of the investment fund. The remaining carrying value of the investment has been impaired accordingly.

4. TRADE AND OTHER RECEIVABLES		
Trade debtors	63 797	71 230
Provision for doubtful debts	(9 574)	-
Sundry debtors	3 993	-
Deposits	8 025	5 832
Retirement annuities	367	4 467
Uncleared funds	-	7 849
Clearing account	-	12 451
	<u>66 608</u>	<u>101 829</u>

5. CASH AND CASH EQUIVALENTS		
Sanlam	1 543 660	-
Standard Bank - 32 Day Call Account	243 350	1 869 705
Standard Bank - 24 Hour Call Account	3 771	134 384
Standard Bank - Cheque Account	-	35 582
Nedbank Corporate Saver Account	-	503 702
Petty Cash	10 300	9 379
Standard Bank - Pepfar Current Account	144 270	102 054
	<u>1 945 351</u>	<u>2 654 806</u>
Standard Bank - Cheque Account	(86 197)	-
Standard Bank Business Account	(9 817)	(3 286)
	<u>(96 014)</u>	<u>(3 286)</u>

Lifeline has an overdraft facility with Standard Bank for an amount of R80 000.

LIFELINE PIETERMARTITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2011

2011 2010
R R

6. INVESTMENT INCOME

Interest	218 751	179 799
Fair value adjustments	-	24 818
Dividends	1 401	-
	<u>220 152</u>	<u>204 618</u>

7. FUNDING RECEIVED IN ADVANCE

Lifeline Durban	17 610	59 050
Pepfar	47 554	-
Ireland Aid	34 289	-
Ukulapha	35 231	17 231
Ford Foundation	133 574	-
Terre Des Hommes	257 547	-
	<u>525 805</u>	<u>76 281</u>

8. FUNDRAISING INCOME

Art in the park	1 912	4 130
Crossbow	55 465	40 095
Volunteer development	41 440	-
External workshops and talks	22 240	25 065
Events	-	(2 450)
Hire of facilities	5 698	2 296
Income from other sources	14 992	-
Reception – sales	9 022	27 517
Reception – purchases	(10 232)	(27 113)
	<u>140 537</u>	<u>69 540</u>

9. TRADE AND OTHER PAYABLES

PEPFAR interest	-	4 796
Sundry creditors	255	8 873
Accrued expenses	166 575	43 064
South African Revenue Services – VAT	-	5 401
Deposits	2 700	2 700
Provision for doubtful debts	-	3 380
	<u>169 530</u>	<u>68 213</u>