

LIFELINE PIETERMARITZBURG
(NPO Number: 002-128)
Trading as LifeLine and Rape Crisis

Financial Statements
for the year ended 29 February 2012

LIFELINE PIETERMARITZBURG
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 February 2012

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

<u>Index</u>	<u>Page</u>
Management's responsibility for financial reporting	1
Preparer of the annual financial statements	1
Management's approval of the annual financial statements	1
Report of the Independent Auditors	2 - 3
Statement of comprehensive income	4
Statement of financial position	5
Statement of Changes in Funds	6
Core Revenue and Expenditure	7
AIDS Wellness Revenue and Expenditure	8
Gender Wellness Revenue and Expenditure	9
Lottery Revenue and Expenditure	10
Statement of cash flows	11
Accounting Policies	12
Notes to the Financial Statements	13 - 16

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 Generally Accepted Accounting Standards 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.

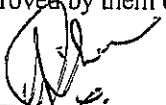
The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the management committee.

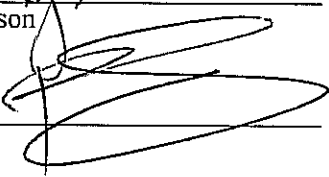
PREPARER OF THE ANNUAL FINANCIAL STATEMENTS

The financial statements were prepared under the supervision of Trini Krishan B Com.

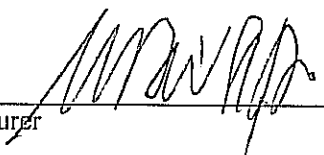
MANAGEMENT'S APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 16 are the responsibility of the management committee and were approved by them on 21 June 2012 and signed on their behalf by:



Chairperson


Director



Treasurer

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT BOARD OF LIFELINE PIETERMARITZBURG

We have audited the annual financial statements of LifeLine Pietermaritzburg, which comprise the statement of financial position as at 29 February 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 4 to 16.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards and the requirements of 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT BOARD OF LIFELINE PIETERMARITZBURG

Opinion

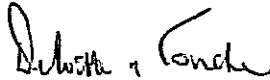
In our opinion, the financial statements of LifeLine Pietermaritzburg for the year ended 29 February 2012 have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 the financial statements.

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.

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 Generally Accepted Accounting Standards.



Deloitte & Touche
Registered Auditors

Per D McArthur
Partner

21 June 2012

LIFELINE PIETERMARITZBURG
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Revenue		4 977 093	5 584 671
LifeLine Core		369 449	404 222
AIDS Wellness		1 920 291	1 925 876
Gender Wellness		2 687 353	1 929 073
NLDTF		-	1 325 500
Investment income	10	234 052	220 152
Expenditure		4 929 013	5 498 781
LifeLine Core		770 814	171 707
AIDS Wellness		1 483 736	1 423 293
Gender Wellness		2 674 463	2 578 349
NLDTF		-	1 325 432
Net surplus for the year		282 132	306 042
Other comprehensive income		-	-
Total comprehensive income for the year		282 132	306 042

LIFELINE PIETERMARITZBURG
STATEMENT OF FINANCIAL POSITION
as at 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Assets			
Non-Current Assets			
Property, plant and equipment	2	500 001	500 001
Sustainability funds	3	2 229 414	2 135 729
		<hr/>	<hr/>
		2 729 415	2 635 730
		<hr/>	<hr/>
Current Assets			
Trade and other receivables	4	130 911	66 608
Loans to employees		-	2 767
Funds receivable	5	172 119	-
South African Revenue Services –VAT		70 871	80 086
Cash and cash equivalents	6	2 432 789	1 945 351
		<hr/>	<hr/>
		2 806 690	2 094 812
		<hr/>	<hr/>
Total Assets		<u>5 536 105</u>	<u>4 730 542</u>
Equity and Liabilities			
Funds			
Core/General		1 890 847	2 058 160
AIDS/Wellness		2 153 811	1 717 256
Gender Wellness/Rape Crisis		176 599	163 709
NLDTF		68	68
		<hr/>	<hr/>
		4 221 325	3 939 193
		<hr/>	<hr/>
Liabilities			
Current Liabilities			
Funding received in advance	7	1 225 936	525 805
Trade and other payables	8	83 727	169 530
Cash and cash equivalents	6	5 117	96 014
		<hr/>	<hr/>
		1 314 780	791 349
		<hr/>	<hr/>
Total Equity and Liabilities		<u>5 536 105</u>	<u>4 730 542</u>

LIFELINE PIETERMARITZBURG
STATEMENT OF CHANGES IN FUNDS
for the year ended 29 February 2012

	<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
<u>2012</u>					
Balance at the beginning of the year	2 058 160	1 717 256	163 709	68	3 939 193
(Deficit)/surplus for the year	(167 313)	436 555	12 890	-	282 132
Balance at the end of the year	1 890 847	2 153 811	176 599	68	4 221 325

<u>2011</u>					
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	2 058 160	1 717 256	163 709	68	3 939 193

LIFELINE PIETERMARITZBURG
CORE REVENUE AND EXPENDITURE
for the year ended 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Revenue		369 449	404 222
Pietermaritzburg Community Chest		51 000	38 500
Donations		72 127	56 344
Fund raising income	9	138 011	140 537
Membership fees		1 420	7 123
Recovery of core expenditure from projects		61 983	111 643
Rental received		44 908	50 075
Operating Expenses		770 814	171 707
Accounting/audit fee		4 394	30 000
Advertising and publicity		21 534	1 013
Bad debts		13 200	12 862
Bank charges		5 517	4 984
Communication		41 978	9 376
Computer expenses		-	7 517
Conference costs		2 294	11 468
Dedication ceremony costs		-	550
Depreciation		2 016	
Electricity		25 466	
Fundraising/business development costs		56 283	-
Insurance		39 384	1 613
Refreshments and cleaning		7 019	12 253
Repairs and maintenance		26 808	6 550
Salaries and wages		458 499	51 274
Security		4 606	5 101
Staff costs		25 254	17 488
Subscriptions		9 854	690
Sundry expenses		23 501	(1 032)
Web design		3 207	-
Net (deficit)/ surplus from operations		(401 365)	232 515
Investment income	10	234 052	220 152
Net (deficit)/surplus for the year		<u>(167 313)</u>	<u>452 667</u>

LIFELINE PIETERMARITZBURG
AIDS WELLNESS REVENUE AND EXPENDITURE
for the year ended 29 February 2012

<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Revenue	1 920 291	1 925 876
AIDS Wellness	1 920 291	1 925 876
Department of Social Development	360 790	305 771
External workshops and talks	25 200	233 499
Mothers to Mothers	32 529	13 000
<i>Project income</i>		
- Pefpar	832 114	1 009 245
- S.A. Aids foundation	37 473	-
- Hulamin	60 000	100 000
- Umsobomvo	250	265
- Training and other	571 935	264 096
Operating Expenses	1 483 736	1 423 293
AIDS Wellness Management	1 483 736	1 423 293
Other expenses	45 989	5 967
Salaries and wages	273 272	195 193
Subsistence and travel	4 893	5 871
<i>Project expenses</i>		
- S. A. Aids foundation	37 473	-
- Pefpar	828 609	1 009 243
- Training	243 140	169 619
- Hulamin	50 360	37 400
Net surplus for the year	<u>436 555</u>	<u>502 583</u>

LIFELINE PIETERMARITZBURG
GENDER WELLNESS REVENUE AND EXPENDITURE
for the year ended 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Revenue		2 687 353	1 929 073
Ireland Aid		261 624	251 689
Elton John Foundation		-	81 718
First Rand Foundation		266 046	300 000
1 st for woman trust		260 053	-
Ford Foundation		662 270	734 360
Foundation for Human Rights		-	71 478
Arcelor Mittal		50 000	-
RTI		564 117	-
KZN Social Development		144 474	161 083
Terres Des Hommes		428 954	101 528
UNODC		49 815	227 217
Operating Expenses		2 674 463	2 578 349
Gender Wellness Expenses		2 674 463	2 578 349
Salaries and wages		101 996	44 881
Sundry expenses		31 949	33 290
Project expenses			
- First Rand Foundation		267 400	710 699
- Ireland Aid		261 624	265 453
- UNODC		750	392 376
- Ford Foundation		663 987	773 474
- RTI		459 006	109 142
- KZN Social Development		134 173	-
- Elton John Foundation		-	86 840
- Terres Des Hommes		428 951	101 526
- Foundation for Human Rights		9 023	60 668
- 1 st for woman trust		260 054	-
- Arcelor Mittal		55 550	-
Net surplus/(deficit) for the year		<u>12 890</u>	<u>(649 276)</u>

LIFELINE PIETERMARITZBURG
LOTTERY REVENUE AND EXPENDITURE
for the year ended 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Revenue		-	1 325 500
NLDTF		-	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 29 February 2012

	<u>Notes</u>	<u>2012</u> R	<u>2011</u> R
Cash generated from operating activities		674 036	958 078
Surplus from operations		282 132	306 042
General Fund		(167 313)	452 667
AIDS Wellness Fund		436 555	502 583
Gender Wellness/Rape Crisis Fund		12 890	(649 276)
NLDTF		-	68
Adjusted for:		(232 036)	(72 875)
Depreciation	2	2 016	147 277
Sustainable investment income	10	(234 052)	(220 152)
Cash utilised by operations		50 096	233 167
Investment income	10	234 052	220 152
Changes in working capital:		389 888	504 759
Trade and other receivables		(224 440)	(46 082)
Trade other payables		(85 803)	101 317
Funding received in advance		700 131	449 524
Cash utilised in investing activities		(95 701)	(1 760 262)
Acquisition of property, plant and equipment	2	(2 016)	(147 276)
Movement in sustainability funds	3	(93 685)	(1 612 986)
Net increase/(decrease) in cash and cash equivalents		578 335	(802 184)
Cash and cash equivalents at the beginning of the year		1 849 337	2 651 521
Cash and cash equivalents at the end of the year	6	2 427 672	1 849 337

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2012

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 PIETERMARITZBURG
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 for the year ended 29 February 2012

2. PROPERTY, PLANT AND EQUIPMENT

	<u>Land and Buildings</u> R	<u>Motor Vehicles</u> R	<u>Furniture and Equipment</u> R	<u>Total</u> R
<u>2012</u>				
Opening carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	232 662	856 966
- Accumulated depreciation	-	(124 304)	(232 661)	(356 967)
- Additions	-	-	2 016	2 016
- Depreciation	-	-	(2 016)	(2 016)
- Disposals	-	-	-	-
Closing carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	234 678	858 982
- Accumulated depreciation	-	(124 304)	(234 677)	(358 981)
<u>2011</u>				
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)
- Additions	-	124 304	22 973	147 277
- Depreciation	-	(124 304)	(22 973)	(147 277)
Disposals	-	-	-	-
- Cost	-	51 954	-	51 954
- Accumulated depreciation	-	(51 954)	-	(51 954)
Closing carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	232 662	856 966
- Accumulated depreciation	-	(124 304)	(232 661)	(356 965)

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 PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2012

	<u>2012</u> R	<u>2011</u> R
3. SUSTAINABILITY FUNDS		
Investec	1 123 619	1 061 212
BOE	1 076 627	1 016 365
Ovation Global Investment Services		
- Unit Trusts	311	1 625
- Receivable	-	37 072
Compushare Old Mutual	28 857	19 455
	<u>2 229 414</u>	<u>2 135 729</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	119 140	63 797
Provision for doubtful debts	(1 350)	(9 574)
Sundry debtors	12 025	3 993
Deposits	1 096	8 025
Retirement annuities	-	367
	<u>130 911</u>	<u>66 608</u>

5. FUNDS RECEIVABLE

RTI	119 165	-
Pepfar	52 954	-
	<u>172 119</u>	<u>-</u>

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2012

	<u>2012</u>	<u>2011</u>
	R	R
6. CASH AND CASH EQUIVALENTS		
Sanlam	1 626 759	1 543 660
Standard Bank - 32 Day Call Account	405 984	243 350
Standard Bank - 24 Hour Call Account	4 751	3 771
Standard Bank - Cheque Account	253 132	-
Petty Cash	3 000	10 300
Standard Bank - Pepfar Current Account	139 163	144 270
	<u>2 432 789</u>	<u>1 945 351</u>
Standard Bank - Cheque Account	-	(86 197)
Standard Bank Business Account	(5 117)	(9 817)
	<u>(5 117)</u>	<u>(96 014)</u>

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

7. FUNDING RECEIVED IN ADVANCE

Lifeline Durban	45 750	17 610
Pepfar	-	47 554
Ireland Aid	-	34 289
Ukulapha	48 231	35 231
Ford Foundation	-	133 574
Terre Des Hommes	340 176	257 547
1 st for woman trust	141 147	-
NLDTF	415 000	-
First Rand Foundation	133 954	-
S.A. Aids foundation	101 678	-
	<u>1 225 936</u>	<u>525 805</u>

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 29 February 2012

	<u>2012</u>	<u>2011</u>
	R	R
8. TRADE AND OTHER PAYABLES		
Sundry creditors	-	255
Accrued expenses	81 027	166 575
Deposits	2 700	2 700
	<u>83 727</u>	<u>169 530</u>
	<u><u>83 727</u></u>	<u><u>169 530</u></u>
9. FUNDRAISING INCOME		
Art in the park	3 830	1 912
Crossbow	31 800	55 465
Volunteer development	48 126	41 440
External workshops and talks	-	22 240
Hire of facilities	26 022	5 698
Income from other sources	29 086	14 992
Reception – sales	6 080	9 022
Reception – purchases	(6 933)	(10 232)
	<u>138 011</u>	<u>140 537</u>
	<u><u>138 011</u></u>	<u><u>140 537</u></u>
10. INVESTMENT INCOME		
Interest	224 370	218 751
Dividends	280	1 401
Gain on investment	9 402	-
	<u>234 052</u>	<u>220 152</u>
	<u><u>234 052</u></u>	<u><u>220 152</u></u>