

**Lifeline Pietermaritzburg
NPO Number: 002-128**

**Annual Financial Statements
29 February 2008**

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

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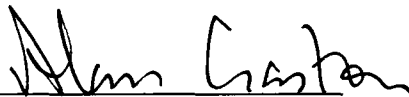
The reports and financial statements set out below comprise the annual financial statements presented to the members:

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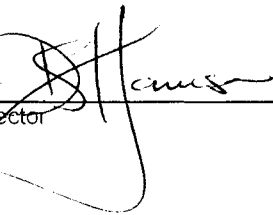
The financial statements were approved by the Board of Management on 24 June 2008 and are signed on its behalf.



Chairperson



Treasurer



Director

armingtons inc

CHARTERED ACCOUNTANTS (SA)

incorporating **BERRIMAN**
ACCOUNTING SERVICES cc

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LIFELINE PIETERMARITZBURG

We have audited the annual financial statements of LifeLine Pietermaritzburg set out on pages 3 - 13 for the year ended 29 February 2008. These financial statements are the responsibility of the members of LifeLine Pietermaritzburg. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting. This responsibility includes:

- designing and implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies and
- making accounting estimates that are reasonable in the circumstances.

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 of 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 opinion.

Opinion

These financial statements are prepared on the cash basis of accounting as modified by the revaluation of investments and deferral of income. Accordingly, the accompanying financial reports are not intended to present the financial position and results of operations in conformity with South African Generally Accepted Accounting Practice.

In our opinion, these financial statements fairly present the receipts and payments of LifeLine Pietermaritzburg for the year ended 29 February 2008.

Allocation to Income Statements

Without qualifying our audit opinion expressed above, attention is drawn to the following matter:

Due to the nature of the organisation and the various activities and funds, certain items of income and expenditure are allocated by management on a pro-rata basis between funds. We do not express an opinion on the allocation of income between funds.

Supplementary schedules

The supplementary schedules set out on pages 14 – 15 do not form part of the financial statements, and are presented as additional information. We have not audited these schedules and we do not express an opinion on them.

Warmingtons Inc.

For Warmingtons Incorporated
Chartered Accountants (SA)
Registered Accountants and Auditors

Pietermaritzburg
17 June 2008



LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Balance Sheet

Figures in Rand	Note(s)	28 February 2008	28 February 2007
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3	974,335	1,454,048
Sustainability Funds	4	500,002	500,002
		474,333	954,046
Current assets			
Trade and Other Receivables		1,419,954	674,579
Cash and cash equivalents	5	110,023	114,645
		1,309,931	559,934
		<u>2,394,289</u>	<u>2,128,627</u>
FUNDS AND LIABILITIES			
Funds			
Core / General Fund		1,848,402	2,128,627
Aids Wellness Fund / Intambo Yempilo Fund		1,245,355	1,309,377
Pepfar - CINDI		778,049	784,520
Gender Wellness / Rape Crisis Fund		8,053	-
Themba Lesizwe Fund		(183,054)	-
CINDI		-	7
		-	34,723
Current liabilities			
Funding carried forward	7	545,887	-
Trade and Other Payables		542,081	-
		3,805	-
		<u>2,394,289</u>	<u>2,128,627</u>

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Financial Statements for the year ended 29 February 2008

Changes in Funds

	Core Fund	AIDS Wellness Fund	Pepfar CINDI	Intambo Yempilo Fund	Training Centre	CINDI	Gender Wellness Fund	Rape Crisis Fund	Themba Lesizwe Fund	Total
	R	R	R	R	R	R	R	R	R	R
2008										
Balance at beginning of the year	1,309,378	-	-	784,520	-	34,723	-	-	7	2,128,629
Surplus / (Deficit) for the year	(64,023)	(41,195)	8,053	-	-	-	(183,061)	-	-	(280,226)
Transfers	-	819,244	-	(784,520)	(34,723)	7	-	(7)	-	-
Balance at the end of the year	1,245,355	778,049	8,053	-	-	-	(183,054)	-	-	1,848,402
2007										
Balance at beginning of the year	1,377,970	-	-	819,910	36,683	51,858	-	6,713	-	2,293,134
Surplus / (Deficit) for the year	298,345	-	-	(35,390)	(50,743)	(17,135)	-	(359,590)	7	(164,506)
Transfer to General Fund	(366,937)	-	-	-	14,060.00	-	-	352,877	-	-
Balance at the end of the year	1,309,378	-	-	784,520	-	34,723	-	-	7	2,128,629

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Core Revenue and Expenditure

Figures in Rand	Schedule Note(s)	29 February 2008	28 February 2007
Revenue		887,610	671,005
Community Chest		11,000	-
Donation - ICCO		-	560,175
Donations - General		51,586	44,248
External Workshops & Talks		-	2,505
Fund Raising Activities	SS1	39,091	17,933
Income from Lifeline Southern Africa		62,741	-
LOTTO		332,862	-
Membership Fees		350	350
Prior Period Adjustment: Old Mutual / Computershare		29,252	3,951
Profit on sale of asset		60,000	-
Recovery of Core expenditure from projects		271,787	-
Rental Received		28,941	41,843
Operating Expenses		1,081,383	485,536
Accounting/Audit Fees		16,769	5,996
Advertising and Publicity		9,345	346
Annual General Meeting		5,469	1,544
Bad Debts		3,967	-
Bank Charges		9,194	2,496
Communication - Telephone Fax & Core Talk		64,167	18,791
Computer Expenses		13,268	4,328
Conference Costs		14,902	2,335
Dedication Ceremony costs		1,336	-
Depreciation		2,627	8,165
Donations - books, videos.		-	1,582
Electricity and Water		35,923	12,998
Fundraising / Business Development Costs		-	759
ICCO Evaluation		6,985	-
Impairment Loss: Ovation Unit Trusts		37,061	-
Insurance		21,676	122
Land Affair Project - National Office		-	8,540
LOTTO - Expenses		253,462	-
Management Fees		10,515	12,827
Motor Vehicle - Expenses		7,410	670
Printing, Stationery and Postage		20,671	5,934
Refreshments and Cleaning		24,676	38,287
Rent Paid		200	-
Repairs & Maintenance - Premises		29,493	8,292
Salaries & Wages		461,706	305,240
Security		1,932	670
Staff Costs		5,686	18,700
Subscriptions		5,933	1,959
Sundry Expenses		5,440	8,837
Supervision & Mentorship		2,767	6,620
Traveling Expenses		8,802	9,498
(Deficit) / Surplus from Operations		(193,773)	185,469
Investment Income	6	129,750	112,875
Net (Deficit) / Surplus for the Year		<u>(64,023)</u>	<u>298,344</u>

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Financial Statements for the year ended 29 February 2008

Aids Wellness Revenue and Expenditure

Figures in Rand	29 February 2008	28 February 2007
Revenue	793,102	700,548
AIDS Wellness / Intambo Yempilo	793,102	653,548
Department of Social Development	227,645	191,850
Durban Chamber of Commerce	30,000	235,375
External Workshops & Talks	2,910	-
Reception Sales	-	33,396
VCT Testing	161,499	-
Project Income		
- Hulamin - Thokozani	60,382	-
- Training	310,666	192,927
Themba Lesizwe	-	47,000
Operating expenses	834,297	739,679
	-	
AIDS Wellness Management	834,297	243,668
Contribution to Core Expenditure	163,072	-
Salaries & Wages	208,254	-
Subsistence & Travel	3,062	-
Supervision & Mentorship	2,220	-
VCT Testing Expenses	103,997	-
Project Expenses		
Training	293,542	243,668
Thokozani	60,150	-
Intambo Yempilo	-	496,011
Accounting and audit fees	-	5,996
Administration expenses	-	1,544
Durban Chamber of Commerce	-	237,090
Electricity and water	-	12,998
Insurance	-	122
Motor Vehicle Expenses	-	670
Printing, stationery and postage	-	5,934
Reception Purchases	-	25,855
Repairs and maintenance	-	8,292
Salaries and wages	-	165,318
Security	-	670
Sundry expenses	-	10,264
Telephone	-	18,791
Traveling expenses	-	2,467
(Deficit) for the period	<u>(41,195)</u>	<u>(39,131)</u>

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Financial Statements for the year ended 29 February 2008

Pepfar Revenue and Expenditure

Figures in Rand	29 February 2008	28 February 2007
Revenue		
Pepfar - CINDI	158,917	-
Operating expenses	150,863	-
Administration	1,315	-
Monitoring and Evaluation	5,539	-
Project Implementation	5,599	-
Salaries	138,410	-
Surplus for the period	<u>8,053</u>	<u>-</u>

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Financial Statements for the year ended 29 February 2008

Gender Wellness Revenue and Expenditure

Figures in Rand	29 February 2008	28 February 2007
Revenue	456,137	452,722
Gender Wellness / Rape Crisis	456,137	212,795
Care Packs	29,483	12,639
Elton John Foundation	33,567	-
Foundation for Human Rights	6,205	59,792
General Donations / Fundraising	-	500
Income from other sources	79,463	-
Ireland Aid	78,987	-
KZN Health Department	32,151	-
Rape Crisis	22,206	-
Telkom - Bergville Project	-	13,350
TFN UK - Young Men's Project	174,075	-
Trade Plus Aid	-	126,514
Themba Lesizwe - Revenue	-	47,000
Training Centre - Internal Fund Raising	-	192,927
Operating Expenses	639,198	619,377
Gender Wellness Expenses	639,198	572,384
Accounting and audit fee	-	5,996
Administration expenses	-	1,544
Care Packs	10,658	9,921
Conferences	-	2,335
Contribution to Core Expenditure	108,715	-
Electricity and water	-	12,998
External Workshops & Talks	-	3,000
Foundation for Human Rights expenses	-	72,707
Insurance	-	122
Motor Vehicle Expenses	-	670
Printing, Stationery and Postage	-	5,934
Project expenses	-	329
Salaries & Wages	204,848	275,849
Security	-	670
Subsistence & Travel	1,272	(1,573)
Sundry expenses	40	16,220
Supervision & Mentorship	1,027	3,330
Telephone	-	18,791
Transport for Rape Survivors	600	-
Project Expenses	-	-
- Canadian Funds Loss	16,136	-
- Ireland Aid	69,989	-
- Trade Plus Aid	56,419	95,462
- Foundation for Human Rights	24,735	-
- Young Men's Project	111,193	-
- Elton John Foundation	33,567	-
- Telkom	-	14,350
- Ukunakekela	-	33,729
Themba Lesizwe Expenditure	-	46,993
(Deficit) for the period	<u>(183,061)</u>	<u>(166,655)</u>

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Financial Statements for the year ended 29 February 2008

CINDI Revenue and Expenditure

	28 February 2007
<hr/>	
Figures in Rand	
<hr/>	
Revenue from CINDI	173,817
DCI - Ireland Aid	93,694
Nutrition - Momentum	64,246
CINDI Cluster	15,877
Expenditure: Nutrition	67,114
General Expenses	48
Insurance	1,750
Internet Costs	900
Postage	800
Rental	4,500
Salary	50,162
Stationery	1,600
Telephone	797
Training	6,289
Travel	270
Expenditure DCI Project	123,838
Administration	8,927
Advertising	4,835
Bank charges	1,626
Catering	8,848
CBO	9,512
Management fees	7,440
Project expenses	30,265
Refreshment	300
Research	9,219
Printing and stationery	10,747
Telephone	5,473
Training	12,784
Travel	5,272
Venue Hire	8,590
(Deficit) for the period	<u>(17,135)</u>

Note: Revenue and Expenditure in respect of these projects is now reflected under Gender Wellness

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Financial Statements for the year ended 29 February 2008

Cash Flow Statement

Figures in Rand	29 February 2008	28 February 2007
Cash flow resulting from operating activities	212,911	(221,822)
(Deficit) from Operations:	(280,226)	(164,506)
General Fund	(64,023)	298,345
CINDI	-	(17,135)
Intambo Yempilo Fund / Aids Wellness Fund	(41,195)	(35,390)
Pepfar (CINDI) Fund	8,053	-
Rape Crisis Fund / Gender Wellness Fund	(183,061)	(359,590)
Themba Lesizwe	-	7
Training Centre	-	(50,743)
Adjusted for	(187,123)	(104,710)
Depreciation	2,627	8,165
Investment Income	(129,750)	(112,875)
Profit on Disposal of Assets	(60,000)	-
Cash utilised by operations	(467,349)	(269,216)
Investment Income	129,750	112,875
Changes in Working Capital:	550,509	(65,481)
Reduction in Trade and Other Receivables	4,622	(59,749)
Increase / (Decrease) in Trade and Other Payables	3,806	(5,732)
Funding Received in Advance	542,081	-
Cash outflow resulting from investing activities	537,086	316,236
Acquisition of Property, Plant and Equipment	(2,627)	(8,165)
Realisation of Sustainability Funds	479,713	324,401
Proceeds from Sale of Fixed Assets	60,000	-
Net change in cash and cash equivalents	749,997	94,414
Cash and cash equivalents at the beginning of the year	559,934	465,520
Cash and cash equivalents at the end of the year	1,309,931	559,934

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

1. Accounting policies

a) Revenue recognition

Revenue from donations, fund raising and other activities is recognized when funds are deposited with the organization's bankers. Interest income is recognized on an accrual basis. Dividend income is recognized on the last day of registration in respect of listed shares.

b) Property, plant and equipment

Property is stated at historical cost. The cost of the plant and equipment is written off in full on acquisition. Property is not depreciated as it is held for investment purposes.

c) Receivables

Receivables are carried at anticipated realizable value.

d) Deferred revenue

Where donations have been received and expenditure is only to be incurred after the year end, the revenue is deferred until the funds are utilised. This is the first year the revenue has been deferred.

e) Cash and cash equivalents

Cash and cash equivalents comprise funds on deposit and bank and cash balances.

f) Financial instruments

Financial instruments carried on the balance sheet 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.

2. Taxation

No provision has been made for taxation as the organisation is not liable for taxation under section 10 (1) (cN) of the Income Tax Act.

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

3. Property, Plant and Equipment

	Land and Buildings	Motor Vehicles	Furniture and Equipment	Total
2007				
Opening carrying value	500,000	1	1	500,002
- At Cost	500,000	136,954	192,784	829,738
- Accumulated Depreciation	-	(136,953)	(192,783)	(329,736)
Current year movements	-	-	-	-
- Additions and Improvements	-	-	8,165	8,165
- Depreciation	-	-	(8,165)	(8,165)
Closing carrying value	500,000	1	1	500,002
- At Cost	500,000	136,954	200,949	837,903
- Accumulated Depreciation	-	(136,953)	(200,948)	(337,901)
2008				
Opening carrying value	500,000	1	1	500,002
- At Cost	500,000	136,954	200,949	837,903
- Accumulated Depreciation	-	(136,953)	(200,948)	(337,901)
Current year movements	-	-	-	-
- Additions and Improvements / (Disposals)	-	(85,000)	2,627	(82,373)
- Depreciation	-	85,000	(2,627)	82,373
Closing carrying value	500,000	1	1	500,002
- At Cost	500,000	51,954	203,576	755,530
- Accumulated Depreciation	-	(51,953)	(203,575)	(255,528)

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

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Notes to the Financial Statements

Figures in Rand	29 February 2008	28 February 2007
4. Sustainability Funds		
Ovation Global Investment Services:		
- Unit trusts	333,551	854,046
Community Chest Consortium	111,548	100,000
Old Mutual Plc - Shares	29,235	-
	<u>474,333</u>	<u>954,046</u>
<p>The unit trusts are under curatorship and the funds cannot be accessed. 10% of the market value of investments is likely to be lost on final winding up of the investment fund. The carrying value of the investment has been impaired accordingly</p>		
5. Cash And Cash Equivalents		
Standard Bank - 32 Day Call	851,521	462,844
Standard Bank - 24 Hour Call	7,974	-
Standard Bank Cheque Account	56,325	35,315
Nedbank Corporate Saver Account	393,111	60,775
Petty Cash	1,000	1,000
	<u>1,309,931</u>	<u>559,934.00</u>
6. Investment Income		
Interest	106,649	93,597
Fair Value Adjustments	17,127	18,816
Dividends	5,974	462
- Old Mutual	1,569	462
- Ovation Unit Trusts	4,405	-
	<u>129,750</u>	<u>112,875</u>
7. Funding Received In Advance		
Telkom	38,863	-
Pepfar - CINDI	39,534	-
Elton John Foundation	203,261	-
Ireland Aid	74,222	-
LOTTO	46,584	-
Hulamin	139,618	-
	<u>542,081</u>	<u>-</u>
8. Comparative Figures		
<p>The income statements structure has been changed to show the new project structure. Prior year income statements have been restructured accordingly.</p>		

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Fundraising Schedule

Figures in Rand	29 February 2008	28 February 2007
1. Fund raising activities	39,091	17,933
AIDS Wellness Centre	-	10
Christmas Cards	21,187	12,734
Counseling	1,276	4,043
External workshops and talks	3,346	-
Events	5,738	-
Hire of Facilities	3,279	-
Income from Other Sources	1,112	-
Reception Sales	29,272	-
Purchases	(26,119)	-
Street Collection	-	1,145

LIFELINE PIETERMARITZBURG

Financial Statements for the year ended 29 February 2008

Revenue and Expenditure Schedule

	Core Fund	AIDS Wellness Fund	Pepfar CINDI	Intambo Yempilo Fund	Training Centre	CINDI	Gender Wellness Fund	Rape Crisis Fund	Themba Lesizwe Fund	Total
	R	R	R	R	R	R	R	R	R	R
2008										
Accumulated at beginning of the year	1,309,378	-	-	784,520	-	34,723	-	-	7	2,128,629
Revenue	887,610	793,102	158,917	-	-	-	456,137	-	-	2,295,766
Expenditure	1,081,383	834,297	150,863	-	-	-	639,198	-	-	2,705,742
Surplus / (Deficit) from operations	(193,773)	(41,195)	8,053	-	-	-	(183,061)	-	-	(409,976)
Investment Income	129,750									129,750
Net Surplus (Deficit)	(64,023)	(41,195)	8,053	-	-	-	(183,061)	-	-	(280,226)
Recovery of funds from projects		819,244		(784,520)		(34,723)	7		(7)	-
Accumulated at end of the year	1,245,355	778,049	8,053	-	-	-	(183,054)	-	-	1,848,402