

**LifeLine Pietermaritzburg**  
**(NPO Number: 002-128)**  
**Trading as LifeLine and Rape Crisis**  
**Financial Statements**  
**for the year ended 28 February 2010**

Warmingtons Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors  
Issued 23 June 2010

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

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

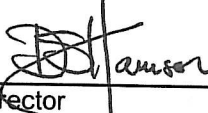
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The financial statements were approved by the Board of Management on  
and are signed on it's behalf:

28 June 2010

  
Chairperson

  
for Treasurer

  
Director

## Independent Auditor's Report

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### To the Management Board of LifeLine Pietermaritzburg

We have audited the financial statements of LifeLine Pietermaritzburg, which comprise the balance sheet at 28 February 2010 and the income statements 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 the basis of accounting as described in note 1 of these financial statements for the purpose of reporting to the funders. This responsibility includes: determining that the basis of accounting as described in note 1 to the financial statements is an acceptable basis for preparing and presenting financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and 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 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 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.

### Opinion

In our opinion, the financial statements of LifeLine Pietermaritzburg have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 to 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.

*Warmingtons Inc.*

**Warmingtons Incorporated  
Chartered Accountants (S.A.)  
Registered Auditors**

**Pietermaritzburg  
23 June 2010**

**FJ Riekert – Director**

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Consolidated Income Statement

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Revenue</b>		4,822,464	4,169,099
Lifeline Core		691,265	707,880
AIDS Wellness		2,240,978	2,607,280
Gender Wellness		1,890,220	853,940
<b>Investment income</b>		204,618	195,022
<b>Expenditure</b>		4,206,000	3,400,455
Lifeline Core		747,853	841,659
AIDS Wellness		2,410,251	1,858,572
Gender Wellness		1,047,896	700,225
<b>Net surplus for the year</b>		<b>821,082</b>	<b>963,666</b>

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Balance Sheet

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	500,001	500,001
Sustainability funds	3	522,743	480,738
		<u>1,022,744</u>	<u>980,739</u>
<b>Current Assets</b>			
Trade and other receivables	4	101,829	269,174
Loans to employees		1,550	-
SARS - VAT		-	30,144
Cash and cash equivalents	5	2,651,521	2,029,711
		<u>2,754,901</u>	<u>2,329,029</u>
<b>Total Assets</b>		<u>3,777,645</u>	<u>3,309,768</u>
<b>Equity and Liabilities</b>			
<b>Funds</b>			
Core / General		1,605,493	1,457,463
AIDS Wellness		1,214,673	1,383,946
Gender Wellness / Rape Crisis		812,985	(29,340)
		<u>3,633,151</u>	<u>2,812,069</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Funding received in advance	7	76,281	468,931
Trade and other payables	9	68,213	28,768
		<u>144,494</u>	<u>497,699</u>
<b>Total Equity and Liabilities</b>		<u>3,777,645</u>	<u>3,309,768</u>

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Statement of Changes in Funds

Figures in Rand	Core	AIDS Wellness	Pepfar CINDI	Gender Wellness	Total
<b>2010</b>					
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>-</u>	<u>812,985</u>	<u>3,633,151</u>
<b>2009</b>					
Balance at the beginning of the year	1,396,220	627,185	8,053	(183,055)	1,848,403
Surplus / (deficit) for the year	61,243	748,708	-	153,715	963,666
Transfers	-	8,053	(8,053)	-	-
Balance at the end of the year	<u>1,457,463</u>	<u>1,383,946</u>	<u>-</u>	<u>(29,340)</u>	<u>2,812,069</u>

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Core Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Revenue</b>		<b>691,265</b>	<b>707,880</b>
Community Chest		29,500	23,327
Corporate counselling		20	15,170
Donations - general		74,129	68,580
Fund raising income	8	69,540	95,492
Lifeline Southern Africa		-	6,682
LOTTO		-	46,584
Membership fees		50	50
Recovery of core expenditure from projects		215,902	320,980
Rental received		34,624	36,527
Repayment by Rape Crisis		-	30,000
Training income		267,500	-
Telkom - Telephone funding		-	64,487
<b>Operating Expenses</b>		<b>747,853</b>	<b>841,659</b>
Accounting / audit fees		24,163	17,585
Advertising and publicity		7,559	6,993
Annual general meeting		-	5
Bad debts		4,638	1,092
Bank charges		17,807	13,856
Communication		39,771	77,186
Computer expenses		23,942	20,862
Conference costs		10,612	7,624
Consulting and management fees		12,951	11,260
Dedication ceremony costs		3,780	5,739
Depreciation		-	6,114
Electricity and water		25,160	23,456
Fundraising / business development costs		3,218	660
ICCO Evaluation		4,885	51,180
Insurance		10,791	14,506
Interest paid		3,528	-
LOTTO - expenses		-	15,230
Motor vehicle expenses		14,965	13,395
Printing, stationery and postage		22,513	20,900
Refreshments and cleaning		39,727	15,829
Repairs and maintenance - premises		14,121	10,559
Salaries and wages		379,502	462,597
Security		5,699	7,359
Staff costs		37,358	10,527
Sterolandia		-	2,018
Strategic planning		-	3,940

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Core Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Operating Expenses (contd...)</b>			
Subscriptions		9,651	7,525
Sundry expenses		7,655	4,052
Supervision and mentorship		7,113	4,400
Travelling expenses		10,642	5,211
Web design and maintenance		6,104	-
Net deficit from operations		(56,588)	(133,779)
Investment income	6	204,618	195,022
<b>Net surplus for the year</b>		<b>148,030</b>	<b>61,243</b>

# LifeLine Pietermaritzburg

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Financial Statements for the year ended 28 February 2010

## AIDS Wellness Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Revenue</b>		2,240,978	2,607,280
<b>AIDS Wellness</b>		2,240,978	2,607,280
Department of Social Welfare		294,813	303,425
AED		-	22,554
Durban Chamber of Commerce		-	335,150
External workshops and talks		7,902	-
Mother to Mother		47,837	41,919
Overhead recoveries from projects		-	2,551
Pepfar		1,600,440	982,136
Telkom Foundation		-	38,863
Other		5,046	-
<i>Project income</i>			
- Hulamin - Thokozani		100,000	339,618
- Umsobomvo		90,056	209,940
- Training and other		94,885	331,124
<b>Operating Expenses</b>		2,410,251	1,858,572
<b>AIDS Wellness Management</b>		2,410,251	1,858,572
Contribution to core expenditure		56,480	84,720
Clinical medical expenses		-	4,500
Salaries and wages		161,854	352,659
Subsistence and travel		2,161	3,319
Supervision and mentorship		-	33
Telephone and fax		-	9,500
Other expenses		-	478
VCT testing expenses		1,302	-
Internal training expenses		267,500	-
<i>Project expenses</i>			
- Pepfar		1,685,673	871,031
- Training		101,535	94,139
- Telkom		-	12,749
- Thokozani		133,745	425,444
<b>Net (deficit) / surplus for the year</b>		<b>(169,273)</b>	<b>748,708</b>

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Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Gender Wellness Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Revenue</b>		1,890,220	853,940
Care packs		6,468	7,149
DCI Newcastle		313,342	40,012
Elton John Foundation		220,246	255,570
First Rand Foundation		388,060	111,940
Ford Foundation		690,248	124,631
Income from other sources		560	23,763
Ireland Aid		-	182,555
KZN Social Department		49,564	-
UNODC		221,733	12,001
TFN UK - Young Men's Project		-	96,319
<b>Operating Expenses</b>		1,047,896	700,225
<b>Gender Wellness Expenses</b>		1,047,896	700,225
Care packs		3,982	8,420
Loan recovery		-	30,000
Salaries and wages		270,303	277,025
Subsistence and mentorship		-	1,769
Sundry expenses		-	40
Telephone		-	965
<i>Project expenses</i>			
- FNB		111,118	111,940
- DCI		240,843	59,930
- UNODC		95,744	-
- Ford Foundation		197,263	124,631
- TFN		-	14,055
- KZN Social Development		55,238	-
- Elton John Foundation		73,405	71,449
<b>Net surplus for the year</b>		<b>842,325</b>	<b>153,715</b>

# LifeLine Pietermaritzburg

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Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Cash Flow Statement

Figures in Rand	Note(s)	28 February 2010	28 February 2009
<b>Cash flow resulting from operating activities</b>		663,815	732,297
Surplus / (deficit) from operations		821,082	963,666
General Fund		148,030	61,243
AIDS Wellness Fund		(169,273)	748,708
Gender Wellness / Rape Crisis Fund		842,325	153,715
Adjusted for:		(204,618)	(188,909)
Depreciation	2	-	6,114
Investment income	6	(204,618)	(195,022)
Cash utilised by operations		616,464	774,758
Investment income	6	204,618	195,022
Changes in working capital:		(157,267)	(237,483)
Trade and other receivables		195,938	(189,295)
Trade and other payables		39,446	24,963
Funding received in advance		(392,650)	(73,151)
<b>Cash flow resulting from investing activities</b>		(42,005)	(12,518)
Acquisition of property, plant and equipment		-	(6,114)
Movement in sustainability funds		(42,005)	(6,404)
<b>Net change in cash and cash equivalents</b>		621,810	719,778
<b>Cash and cash equivalents at the beginning of the year</b>		2,029,711	1,309,931
<b>Cash and cash equivalents at the end of the year</b>		2,651,521	2,029,711

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

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Financial Statements for the year ended 28 February 2010

## Accounting Policies

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### 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 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.

#### 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

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Note to the Financial Statements

### 2. Property, plant and equipment

	Land and Buildings	Motor Vehicles	Furniture and Equipment	Total
<b>2010</b>				
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)
<b>2009</b>				
Opening carrying value	500,000	-	1	500,001
- Cost	500,000	51,954	203,576	755,530
- Accumulated depreciation	-	(51,954)	(203,575)	(255,529)
Movements during the year	-	-	-	-
- Additions and improvements	-	-	6,114	6,114
- Disposals	-	-	-	-
- Depreciation	-	-	(6,114)	(6,114)
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 Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Notes to the Financial Statements

Figures in Rand	28 February 2010	28 February 2009
<b>3. Sustainability funds</b>		
Ovation Global Investment Services		
- Unit Trusts	46,029	372,383
- Receivable	357,259	-
Community Chest Consortium	100,000	100,000
Old Mutual Plc - Shares	19,455	8,355
	<u>522,743</u>	<u>480,738</u>
<p>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.</p>		
<b>4. Trade and other receivables</b>		
Debtors	71,230	259,565
Deposits	5,832	3,832
Retirement annuities	4,467	5,777
Uncleared funds	7,849	-
Clearing account	12,451	-
	<u>101,829</u>	<u>269,174</u>
<b>5. Cash and cash equivalents</b>		
Standard Bank - 32 Day Call Account	1,869,705	1,358,773
Standard Bank - 24 Hour Call Account	134,384	103,207
Standard Bank - Cheque Account	35,582	80,210
Nedbank Corporate Saver Account	503,702	472,606
Standard Bank Business Account	(3,286)	4,415
Petty Cash	9,379	10,500
Standard Bank - Pepfar Current Account	102,054	-
	<u>2,651,521</u>	<u>2,029,711</u>
<b>6. Investment income</b>		
Interest	179,799	193,951
Fair value adjustments	24,818	(53,734)
Reversal of impairment	-	37,061
Dividends	-	17,744
	<u>204,618</u>	<u>195,022</u>

# LifeLine Pietermaritzburg

(NPO Number: 002-128)

Trading as LifeLine and Rape Crisis

Financial Statements for the year ended 28 February 2010

## Notes to the Financial Statements

Figures in Rand	28 February 2010	28 February 2009
<b>7. Funding received in advance</b>		
Lifeline Durban	59,050	66,190
First National Bank	-	88,060
Ireland Aid	-	68,321
Ukulapha	17,231	10,756
Ford Foundation	-	235,604
	<u>76,281</u>	<u>468,931</u>
<b>8. Fund raising income</b>		
Art in the park	4,130	7,794
Christmas cards	40,095	50,266
Counselling	-	(2,444)
External workshops and talks	25,065	6,070
Events	(2,450)	11,140
Hire of facilities	2,296	23,372
Income from other sources	-	1,182
Reception - sales	27,517	13,277
Reception - purchases	(27,113)	(15,164)
	<u>69,540</u>	<u>95,492</u>
<b>9. Trade and other payables</b>		
PEPFAR interest	4,796	4,796
Sundry creditors	8,873	4,661
Accrued expenses	43,064	13,611
SARS - VAT	5,401	-
Deposits	2,700	5,700
Provision for doubtful debts	3,380	-
	<u>68,213</u>	<u>28,768</u>