

Lifeline Pietermaritzburg
(NPO Number: 002-128)
Financial Statements
for the year ended 28 February 2009

Warmingtons Incorporated
Chartered Accountants (S.A.)
Registered Auditors
Issued 03 July 2009

Lifeline Pietermaritzburg

(NPO Number: 002-128)

Financial Statements for the year ended 28 February 2009

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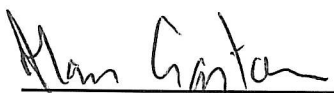
The reports and financial statements set out below comprise the annual financial statements presented to the members:

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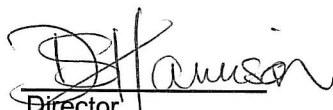
The financial statements were approved by the Board of Management on _____
and are signed on it's behalf:



Chairperson



Treasurer



Director

Independent Auditor's Report

To the members of Lifeline Pietermaritzburg

We have audited the financial statements arising from cash transactions of Lifeline Pietermaritzburg as set out on pages 4 to 15.

Member's Responsibility for the Financial Statements

The members of Lifeline Pietermaritzburg are responsible for the preparation and fair presentation of these financial statements. This responsibility includes: designing, 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 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 auditors' judgement, 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.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for Lifeline Pietermaritzburg to institute accounting controls over cash collections from donations and fund-raising prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded. It is the policy of Lifeline Pietermaritzburg to prepare financial statements on the cash basis of accounting. Accordingly, the accompanying financial statements are not intended to present the financial position and the results of operations in conformity with Generally Accepted Accounting Practice.



Qualified Opinion

In our opinion, except for the effect on the financial statements of the matters referred to above in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Lifeline Pietermaritzburg as at 28 February 2009 and its financial performance and cash flows for the year then ended on the cash basis of accounting.

Supplementary Schedules

Without further qualifying our opinion, we draw your attention to the fact that the supplementary information set out on page 16 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Warmingtons Inc.

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

FJ Riekert - Director

**03 July 2009
Pietermaritzburg**

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Consolidated Income Statement

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Revenue		4,169,099	2,295,766
Lifeline Core		707,879	1,046,527
AIDS Wellness		2,607,280	793,102
Gender Wellness		853,940	456,137
Investment income		195,022	129,750
Expenditure		3,400,455	2,705,741
Lifeline Core		841,659	1,081,382
AIDS Wellness		1,858,572	985,160
Gender Wellness		700,225	639,199
Net surplus / (deficit) for the year		963,666	(280,225)

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Financial Statements for the year ended 28 February 2009

Balance Sheet

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Assets			
Non-Current Assets			
Property, plant and equipment	2	500,001	500,001
Sustainability funds	3	480,738	474,334
		<u>980,739</u>	<u>974,335</u>
Current Assets			
Trade and other receivables		273,588	110,023
SARS - VAT		30,144	-
Cash and cash equivalents	4	2,025,297	1,309,931
		<u>2,329,029</u>	<u>1,419,954</u>
Total Assets		<u>3,309,768</u>	<u>2,394,289</u>
Equity and Liabilities			
Funds			
Core / General		1,457,463	1,396,220
AIDS Wellness / Intambo Yempilo		1,383,946	627,185
Pepfar - CINDI		-	8,053
Gender Wellness / Rape Crisis		(29,340)	(183,055)
		<u>2,812,069</u>	<u>1,848,403</u>
Liabilities			
Current Liabilities			
Funding received in advance	6	468,931	542,082
SARS - VAT		-	1,106
Trade and other payables	7	28,768	2,699
		<u>497,699</u>	<u>545,887</u>
Total Liabilities		<u>497,699</u>	<u>545,887</u>
Total Equity and Liabilities		<u>3,309,768</u>	<u>2,394,289</u>

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Financial Statements for the year ended 28 February 2009

Statement of Changes in Funds

Figures in Rand	Core	AIDS Wellness	Pepfar CINDI	Intambo Yempilo	Training Centre	CINDI	Gender Wellness	Rape Crisis	Themba Lesizwe	Total
2009										
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>-</u>	<u>-</u>	<u>-</u>	<u>(29,340)</u>	<u>-</u>	<u>-</u>	<u>2,812,069</u>
2008										
Balance at the beginning of the year	1,309,378	-	-	784,520	-	34,723	-	-	7	2,128,628
Surplus / (Deficit) for the year	86,842	(192,058)	8,053	-	-	-	(183,062)	-	-	(280,225)
Transfers	-	819,243	-	(784,520)	-	(34,723)	7	-	(7)	-
Balance at the end of the year	<u>1,396,220</u>	<u>627,185</u>	<u>8,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183,055)</u>	<u>-</u>	<u>-</u>	<u>1,848,403</u>

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Core Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Revenue		707,879	1,046,527
Community chest		23,327	11,000
Corporate counselling		15,170	-
Donations - general		68,580	51,586
Fund raising activities	8	95,492	39,091
Lifeline Sothern Africa		6,682	62,741
LOTTO		46,584	332,862
Membership fees		50	350
Pepfar - CINDI		-	158,917
Prior period adjustment: Old Mutual / Computershare		-	29,252
Profit on sale of asset		-	60,000
Recovery of core expenditure from projects		320,980	271,787
Rental received		36,527	28,941
Repayment by rape crisis debt		30,000	-
Telkom - Telephone Funding		64,487	-
Operating Expenses		841,659	1,081,382
Accounting / audit fees		17,585	16,769
Advertising and publicity		6,993	9,345
Annual general meeting		5	5,469
Bad debts		1,092	3,967
Bank charges		13,856	9,194
Communication		77,186	64,167
Computer expenses		20,862	13,268
Conference costs		7,624	14,902
Consulting and management fees		11,260	10,515
Dedication ceremony and orientation costs		5,739	1,336
Depreciation		6,114	2,627
Electricity and water		23,456	35,923
Fundraising / business development costs		660	-
ICCO evaluation		51,180	6,985
Impairment loss: Ovation Unit Trusts		-	37,061
Insurance		14,506	21,676
LOTTO - expenses		15,230	253,462
Motor vehicle expenses		13,395	7,410
Printing, stationery and postage		20,900	20,671
Refreshments and cleaning		15,829	24,676
Rent paid		-	200
Repairs and maintenance - premises		10,559	29,493
Salaries and wages		462,597	461,706
Security		7,359	1,932
Staff costs		10,527	5,686
Sterolandia product		2,018	-
Strategic planning		3,940	-

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Core Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Operating Expenses (contd...)			
Subscriptions		7,525	5,933
Sundry expenses		4,052	5,440
Supervision and mentorship		4,400	2,767
Travelling expenses		5,211	8,802
Net surplus / (deficit) from operations		(133,779)	(34,855)
Net investment income	5	195,022	129,750
Net surplus / (deficit) for the year		61,243	94,895

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Financial Statements for the year ended 28 February 2009

AIDS Wellness Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Revenue		2,607,280	793,102
AIDS Wellness / Intambo Yempilo		2,607,280	793,102
Department of Social Welfare		303,425	227,645
AED		22,554	-
Durban Chamber of Commerce		335,150	30,000
Mother to mother		41,919	-
Overhead recoveries from projects		2,551	-
Pepfar		982,136	-
Telkom Foundation		38,863	-
VCT testing		-	161,499
<i>Project income</i>			
- Hulamin - Thokozani		339,618	60,382
- Umsobomvo		209,940	-
- Training and other		331,124	313,576
Operating Expenses		1,858,572	985,160
AIDS Wellness Management		1,858,572	985,160
Contribution to core expenditure		84,720	163,072
Clinical medical expenses		4,500	-
Salaries and wages		352,659	208,254
Subsistence and travel		3,319	3,062
Supervision and mentorship		33	2,220
Telephone and fax		9,500	-
Other expenses		478	-
VCT testing expenses		-	103,997
<i>Project expenses</i>			
- Pepfar		871,031	150,863
- Training		94,139	293,542
- Telkom Foundation		12,749	-
- Thokozani		425,444	60,150
Net surplus / (deficit) for the year		748,708	(192,058)

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Financial Statements for the year ended 28 February 2009

Gender Wellness Revenue and Expenditure

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Revenue		853,940	456,137
Care packs		7,149	29,483
DCI Newcastle		40,012	-
Elton John Foundation		255,570	33,567
First Rand Foundation		111,940	-
Ford Foundation		124,631	-
Foundation for Human Rights		-	6,205
Income from other sources		23,763	79,463
Ireland Aid		182,555	78,987
KZN Health Department		-	32,151
Rape Crisis donations		12,001	22,206
TFN UK		96,319	174,075
Operating Expenses		700,225	639,199
Gender Wellness Expenses		700,225	639,199
Care packs		8,420	10,658
Contribution to core expenditure		-	108,715
Loan recovery		30,000	-
Salaries and wages		277,025	204,848
Subsistence and mentorship		1,769	1,272
Sundry expenses		40	40
Supervision and mentorship		-	1,027
Telephone		965	-
Transport		-	600
<i>Project expenses</i>			
- Canadian funds loss		-	16,136
- FNB		111,940	-
- Ireland Aid		59,930	69,989
- Trade Plus Aid		-	56,419
- Foundation for Human Rights		-	24,735
- Ford Foundation		124,631	-
- TFN		14,055	-
- Young Men's Project		-	111,193
- Elton John Foundation		71,449	33,567
Net surplus / (deficit) for the year		153,715	(183,062)

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Financial Statements for the year ended 28 February 2009

Cash Flow Statement

Figures in Rand	Note(s)	28 February 2009	29 February 2008
Cash flow resulting from operating activities		687,302	212,911
Surplus / (deficit) from operations		963,666	(280,225)
General Fund		61,243	86,842
Intambo Yempilo Fund / AIDS Wellness Fund		748,708	(192,058)
Pepfar (CINDI) Fund		-	8,053
Rape Crisis / Gender Wellness Fund		153,715	(183,062)
Adjusted for:		(188,909)	(187,123)
Depreciation		6,114	2,627
Investment income		(195,022)	(129,750)
Profit on disposal of assets		-	(60,000)
Cash (utilised)/generated by operations		774,758	(467,348)
Investment income		195,022	129,750
Changes in working capital:		(241,897)	550,509
Trade and other receivables		(193,709)	4,622
Trade and other payables		24,963	3,806
Funding received in advance		(73,151)	542,081
Cash flow resulting from investing activities		(12,518)	537,086
Acquisition of property, plant and equipment		(6,114)	(2,627)
Realisation of sustainability funds		(6,404)	479,713
Proceeds from sale of fixed assets		-	60,000
Net change in cash and cash equivalents		715,364	749,997
Cash and cash equivalents at the beginning of the year		1,309,931	559,934
Cash and cash equivalents at the end of the year		2,025,297	1,309,931

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Accounting Policies

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 donations have 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 and bank and cash balances.

f) Financial instruments

Financial instruments carried on the balance sheets 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.

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Financial Statements for the year ended 28 February 2009

Notes to the Financial Statements

2. Property, plant and equipment

	Land and Buildings	Motor Vehicles	Furniture and Equipment	Total
2009				
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)
2008				
Opening carrying value	500,000	-	1	500,001
- Cost	500,000	136,954	200,949	837,903
- Accumulated depreciation	-	(136,954)	(200,948)	(337,902)
Movements during the year	-	-	-	-
- Additions and improvements	-	-	2,627	2,627
- Disposals	-	(85,000)	-	(85,000)
- Depreciation	-	85,000	(2,627)	82,373
Closing carrying value	500,000	-	1	500,001
- Cost	500,000	51,954	203,576	755,530
- Accumulated depreciation	-	(51,954)	(203,575)	(255,529)

Land and buildings comprise the cost of fixed property situated at 8, 10, 12 and 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 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 Centres.

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Notes to the Financial Statements

Figures in Rand	28 February 2009	29 February 2008
3. Sustainability Funds		
Ovation Global Investment Services		
- Unit Trusts	372,383	333,551
Community Chest Consortium	100,000	111,548
Old Mutual Plc - Shares	8,355	29,235
	<u>480,738</u>	<u>474,334</u>
<p>The unit trusts are under curatorship and the funds cannot be accessed. In the prior year the carrying value of the investment has been impaired accordingly - this was reversed during 2009.</p>		
4. Cash and Cash Equivalents		
Standard Bank - 32 Day Call Account	1,358,773	851,521
Standard Bank - 24 Hour Call Account	103,207	7,974
Standard Bank - Cheque Account	80,210	56,325
Nedbank Corporate Saver Account	472,606	393,111
Petty Cash	10,500	1,000
	<u>2,025,297</u>	<u>1,309,931</u>
5. Investment Income		
Interest	193,951	106,649
Fair value adjustments	(53,734)	17,127
Reversal of impairment	37,061	-
Dividends	17,744	5,974
	<u>195,022</u>	<u>129,750</u>
6. Funding Received in Advance		
Telkom Foundation	-	38,863
Pepfar (CINDI)	-	39,534
Elton John Foundation	-	203,261
Lifeline KZN	66,190	-
First National Bank	88,060	-
Ireland Aid	68,321	74,222
LOTTO	-	46,584
Ukulapha	10,756	-
Ford Foundation	235,604	-
Hulamin	-	139,618
	<u>468,931</u>	<u>542,082</u>

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Notes to the Financial Statements

Figures in Rand	28 February 2009	29 February 2008
7. Trade and other payables		
PEPFAR interest	4,796	-
Sundry creditors	4,661	-
Accrued expenses	13,611	-
SARS - VAT	-	1,105
Deposits	5,700	2,700
	<u>28,768</u>	<u>3,805</u>
8. Fund raising income		
Art in the park	7,794	-
Christmas cards	50,266	21,187
Counselling	(2,444)	1,276
External workshops and talks	6,070	3,346
Events	11,140	5,738
Hire of facilities	23,372	3,279
Income from other sources	1,182	1,112
Reception - sales	13,277	29,272
Reception - purchases	(15,164)	(26,119)
	<u>95,492</u>	<u>39,091</u>

Lifeline Pietermaritzburg

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Financial Statements for the year ended 28 February 2009

Revenue and Expenditure Schedule

Figures in Rand	Core	AIDS Wellness	Pepfar	Intambo Yempilo	CINDI	Department of Welfare	Hulamini	Gender Wellness	Themba Lesizwe	Elton John Foundation	Total
2009											
Accumulated at beginning of the year	1,245,356	778,049	8,053	-	-	-	-	(183,054)	-	-	1,848,403
Revenue	707,879	1,501,544	982,136	-	-	23,600	100,000	585,511	-	268,429	4,169,099
Expenditure	(841,659)	(962,970)	(871,031)	-	-	-	(24,570)	(734,457)	-	34,233	(3,400,455)
Surplus / (deficit) from operations	(133,779)	538,574	111,104	-	-	23,600	75,430	(148,946)	-	302,661	768,644
Investment income	195,022	-	-	-	-	-	-	-	-	-	195,022
Net surplus / (deficit)	61,243	538,574	111,104	-	-	23,600	75,430	(148,946)	-	302,661	963,666
Recovery of funds from projects	-	218,187	(119,157)	-	-	(23,600)	(75,430)	302,661	-	(302,661)	-
Balance at the end of the year	1,306,599	1,534,810	-	-	-	-	-	(29,338)	-	-	2,812,070
2008											
Accumulated at beginning of the year	1,309,378	-	-	784,520	34,723	-	-	-	7	-	2,128,628
Revenue	887,610	793,102	158,917	-	-	-	-	456,137	-	-	2,295,766
Expenditure	(1,081,382)	(834,297)	(150,863)	-	-	-	-	(639,199)	-	-	(2,705,741)
Surplus / (deficit) from operations	(193,772)	(41,195)	8,053	-	-	-	-	(183,062)	-	-	(409,976)
Investment income	129,750	-	-	-	-	-	-	-	-	-	129,750
Net surplus / (deficit)	(64,022)	(41,195)	8,053	-	-	-	-	(183,062)	-	-	(280,226)
Recovery of funds from projects	-	819,244	(784,520)	(34,723)	(7)	-	-	-	-	-	-
Balance at the end of the year	1,245,356	778,049	8,053	-	-	-	-	(183,054)	-	-	1,848,403

The supplementary information presented does not form part of the financial statements and is unaudited.