

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

Financial Statements
for the year ended 28 February 2013

LIFELINE PIETERMARITZBURG
FINANCIAL STATEMENTS
For the year ended 28 February 2013

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 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

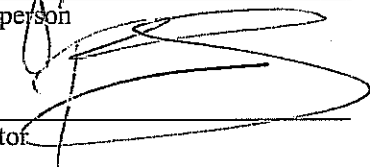
The financial statements were prepared under the supervision of Doris Khumalo BCom.

MANAGEMENT'S APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

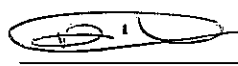
The annual financial statements set out on pages 4 to 12 and the supplementary schedules out on pages 13 to 16 are the responsibility of the management committee and were approved by them on 20 June 2013 and signed on their behalf by:



Chairperson



Director



Treasurer

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT BOARD OF LIFELINE PIETERMARITZBURG

We have audited the annual financial statements of LifeLine Pietermaritzburg set out on pages 4 to 12, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 (continued)

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 2013 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 Generally Accepted Accounting Standards.

Other Matters

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 13 to 16 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

Deloitte + Touche

Deloitte & Touche
Registered Auditors

Per Kim Peddie
Partner

20 June 2013

LIFELINE PIETERMARITZBURG
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Revenue		6 851 511	4 977 093
LifeLine Core		413 873	369 449
AIDS Wellness		2 874 487	1 920 291
Gender Wellness		3 148 151	2 687 353
Lottery income		415 000	-
Investment income	2	242 416	234 052
Expenditure		6 551 501	4 929 013
LifeLine Core		854 186	770 814
AIDS Wellness		2 292 460	1 483 736
Gender Wellness		2 991 250	2 674 463
Lottery expenses		413 605	-
Net profit for the year before taxation	3	542 426	282 132
Taxation	4	-	-
Net profit for the year		542 426	282 132
Other comprehensive income		-	-
Total comprehensive income for the year		542 426	282 132

LIFELINE PIETERMARITZBURG
STATEMENT OF FINANCIAL POSITION
as at 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Assets			
Non-Current Assets			
Property, plant and equipment	6	500 001	500 001
Sustainability funds	7	2 983 140	2 229 414
		<hr/>	<hr/>
		3 483 141	2 729 415
		<hr/>	<hr/>
Current Assets			
Trade and other receivables	8	262 301	201 782
Funds receivable	9	9	172 119
Cash and cash equivalents	10	2 040 441	2 432 789
		<hr/>	<hr/>
		2 302 751	2 806 690
		<hr/>	<hr/>
Total Assets		<u>5 785 892</u>	<u>5 536 105</u>
Equity and Liabilities			
Funds			
Core/General		1 806 352	1 890 847
AIDS/Wellness		2 622 436	2 153 811
Gender Wellness/Rape Crisis		333 500	176 599
NLDTF		1 463	68
		<hr/>	<hr/>
		4 763 751	4 221 325
		<hr/>	<hr/>
Liabilities			
Current Liabilities			
Funding received in advance	11	818 759	1 225 936
Trade and other payables	12	202 857	83 727
Cash and cash equivalents	10	525	5 117
		<hr/>	<hr/>
		1 022 141	1 314 780
		<hr/>	<hr/>
Total Equity and Liabilities		<u>5 785 892</u>	<u>5 536 105</u>

LIFELINE PIETERMARITZBURG
STATEMENT OF CHANGES IN FUNDS
for the year ended 28 February 2013

	<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
Balance at the beginning of the 2011	2 058 160	1 717 256	163 709	68	3 939 193
Total comprehensive income for the year	(167 313)	436 555	12 890	-	282 132
Balance at the end of the year -2012	1 890 847	2 153 811	176 599	68	4 221 325
Total comprehensive income for the year	(84 495)	468 625	156 901	1 395	542 426
Balance at the end of the year - 2013	1 806 352	2 622 436	333 500	1 463	4 763 751

LIFELINE PIETERMARITZBURG
STATEMENT OF CASH FLOWS
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Cash generated from operating activities		397 343	674 036
Net profit for the year		542 426	282 132
General Fund		(197 897)	(167 313)
AIDS Wellness Fund		582 027	436 555
Gender Wellness/Rape Crisis Fund		156 901	12 890
NLDTF		1 395	-
Adjusted for:		(229 042)	(232 036)
Depreciation		13 373	2 016
Sustainable investment income		(242 415)	(234 052)
Changes in working capital:		(176 456)	389 888
Trade and other receivables		111 591	(224 440)
Trade other payables		119 130	(85 803)
Funding received in advance		(407 177)	700 131
Cash generated from operations		313 384	50 096
Investment income		242 415	234 052
Cash utilised in investing activities		(767 099)	(95 701)
Acquisition of property, plant and equipment		(13 373)	(2 016)
Increase in movement in sustainability funds		(753 726)	(93 685)
Net (decrease)/increase in cash and cash equivalents		(387 756)	578 335
Cash and cash equivalents at the beginning of the year		2 427 672	1 849 337
Cash and cash equivalents at the end of the year	10	2 039 916	2 427 672

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

1. ACCOUNTING POLICIES

Basis of Preparation

The annual financial statements have been consistently prepared in accordance with the following principle accounting policies used by the organisation.

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) Expenditure

Expenditure is recorded when payment is made.

LIFELINE PIETERMARTZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2013

	<u>2013</u> R	<u>2012</u> R
2. INVESTMENT INCOME		
Interest	227 044	224 370
Dividends	3 372	280
Gain on investment	12 000	9 402
	<u>242 416</u>	<u>234 052</u>
3. NET PROFIT BEFORE TAXATION		
Net profit before taxation is stated after the following:		
Amount paid to directors – Sinikiwe Biyela	<u>358 625</u>	<u>306 625</u>
4. 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.		
5. FUNDRAISING INCOME		
Art in the park	8 505	3 830
Crossbow	59 520	31 800
Volunteer development	33 350	48 126
External workshops and talks	22 374	-
Hire of facilities	38 868	26 022
Income from other sources	14 750	29 086
Reception – sales	3 450	6 080
Reception – purchases	(5 885)	(6 933)
	<u>174 932</u>	<u>138 011</u>

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2013

6. 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>2013</u>				
Opening carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	234 678	858 982
- Accumulated depreciation	-	(124 304)	(234 677)	(358 981)
- Additions	-	-	13 373	-
- Depreciation	-	-	(13 373)	-
- Disposals	-	-	(9 339)	-
Closing carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	238 712	863 016
- Accumulated depreciation	-	(124 304)	(238 711)	363 015
<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)

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 28 February 2013

	<u>2013</u> R	<u>2012</u> R
7. SUSTAINABILITY FUNDS		
Investec	1 185 420	1 123 619
BOE	1 756 863	1 076 627
Ovation Global Investment Services		
- Unit Trusts	-	311
Compushare Old Mutual	40 857	28 857
	<u>2 983 140</u>	<u>2 229 414</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.

8. TRADE AND OTHER RECEIVABLES

Trade debtors	149 695	119 140
Provision for doubtful debts	(1 350)	(1 350)
	<u>148 345</u>	<u>117 790</u>
Net trade debtors	148 345	117 790
Sundry debtors	20 522	12 025
Deposits	4 400	1 096
South African Revenue Services – VAT		
	<u>173 267</u>	<u>130 911</u>

9. FUNDS RECEIVABLE

RTI	-	119 165
Pepfar	9	52 954
	<u>9</u>	<u>172 119</u>

LIFELINE PIETERMARITZBURG
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2013

	<u>2013</u>	<u>2012</u>
	R	R
10. CASH AND CASH EQUIVALENTS		
Sanlam	1 208 530	1 626 759
Standard Bank - 32 Day Call Account	505 068	405 984
Standard Bank - 24 Hour Call Account	90 080	4 751
Standard Bank - Cheque Account	14 035	253 132
Petty Cash	4 020	3 000
Standard Bank - Pepfar Current Account	2 090	139 163
Standard Bank – USAID Account	368	-
USAID Call Account	216 250	-
	<hr/>	<hr/>
	2 040 441	2 432 789
Standard Bank Business Account overdraft	(525)	(5 117)
	<hr/>	<hr/>
	<u>2 039 916</u>	<u>2 427 672</u>

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

11. FUNDING RECEIVED IN ADVANCE

Lifeline Durban	14 990	45 750
USAID	25 927	-
Ukulapha	5 831	48 231
Terre Des Hommes	386 591	340 176
1 st for woman trust	76 456	141 147
NLDTF	-	415 000
First Rand Foundation	45 302	133 954
S.A. Aids foundation	263 662	101 678
	<hr/>	<hr/>
	818 759	1 225 936
	<hr/>	<hr/>

12. TRADE AND OTHER PAYABLES

Accrued expenses	200 157	81 027
Deposits	2 700	2 700
	<hr/>	<hr/>
	202 857	83 727
	<hr/>	<hr/>

LIFELINE PIETERMARITZBURG
CORE REVENUE AND EXPENDITURE
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Revenue		413 873	369 449
Pietermaritzburg Community Chest		51 750	51 000
Donations		91 001	72 127
Fund raising income	5	174 932	138 011
Membership fees		1 335	1 420
Recovery of core expenditure from projects		90 548	61 983
Rental received		4 306	44 908
Operating Expenses		740 784	770 814
Accounting/audit fee		4 607	4 394
Advertising and publicity		3 487	21 534
Bad debts		-	13 200
Bank charges		4 784	5 517
Communication		10 826	41 978
Conference costs		10 738	2 294
Depreciation		13 373	2 016
Discount given		24 150	-
Electricity		4 361	25 466
Fundraising/business development costs		16 982	56 283
Insurance		1 351	39 384
Refreshments and cleaning		6 094	7 019
Repairs and maintenance		35 666	26 808
Salaries and wages		583 163	458 499
Security		1 208	4 606
Staff costs		18 508	25 254
Subscriptions		555	9 854
Sundry expenses		326	23 501
Training and other		605	-
Web design		-	3 207
Net loss from operations		(326 911)	(401 365)
Investment income	2	242 416	234 052
Net loss for the year		(84 495)	(167 313)

LIFELINE PIETERMARITZBURG
AIDS WELLNESS REVENUE AND EXPENDITURE
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Revenue		2 874 487	1 920 291
Department of Social Development		353 708	360 790
External workshops and talks		1 350	25 200
Mothers to Mothers		-	32 529
<i>Project income</i>			
- Pepfar		848 863	832 114
- S.A. Aids foundation		432 229	37 473
- Hulamin		50 000	60 000
- Umsobomvo		-	250
- Training and other		803 431	571 935
- USAID		280 772	-
- Family matters		104 134	-
Operating Expenses		2 405 862	1 483 736
Other expenses		52 748	45 989
Salaries and wages		286 428	273 272
Subsistence and travel		9 078	4 893
<i>Project expenses</i>			
- S. A. Aids foundation		432 226	37 473
- Pepfar		877 851	828 609
- Training		309 659	243 140
- Hulamin		52 966	50 360
- Family matters		104 134	-
- USAID		280 772	-
Net profit for the year		<u>468 625</u>	<u>436 555</u>

LIFELINE PIETERMARITZBURG
GENDER WELLNESS REVENUE AND EXPENDITURE
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Revenue		3 148 151	2 687 353
Ireland Aid		-	261 624
Anglo American		100 000	-
First Rand Foundation		508 652	266 046
1 st for woman trust		464 691	260 053
Ford Foundation		775 953	662 270
Arcelor Mittal		50 000	50 000
RTI		246 728	564 117
KZN Social Development		363 154	144 474
Terres Des Hommes		638 973	428 954
UNODC		-	49 815
Operating Expenses		2 991 250	2 674 463
Salaries and wages		-	101 996
Sundry expenses		-	31 949
Project expenses			
- First Rand Foundation		508 652	267 400
- Ireland Aid		-	261 624
- UNODC		-	750
- Ford Foundation		769 562	663 987
- RTI		247 500	459 006
- KZN Social Development		236 981	134 173
- Terres Des Hommes		638 973	428 951
- Foundation for Human Rights		-	9 023
- 1 st for woman trust		464 691	260 054
- Arcelor Mittal		28 280	55 550
- Anglo American		96 611	-
Net profit for the year		<u>156 901</u>	<u>12 890</u>

LIFELINE PIETERMARITZBURG
LOTTERY REVENUE AND EXPENDITURE
for the year ended 28 February 2013

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
Revenue		415 000	-
NLDTF		415 000	-
Operating Expenses		413 605	-
Accounting/Audit fees		7 000	-
Post and telecommunications		60 000	-
Bank charges		4 319	-
Electricity and water		19 077	-
Insurance		12 000	-
Learner materials		16 690	-
Planned expenditure		12 949	-
Printing, stationery and postage		17 232	-
Repairs and maintenance		-	-
Catering		24 142	-
Staff costs		52 863	-
Stipends		99 518	-
Sundry expense		9 463	-
Security		24 549	-
Baseline		25 000	-
Community Jambaree		28 803	-
Net profit for the year		1 395	-