

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

**Financial Statements**  
**for the year ended 28 February 2014**

**LIFELINE PIETERMARITZBURG**  
**FINANCIAL STATEMENTS**  
For the year ended 28 February 2014

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.

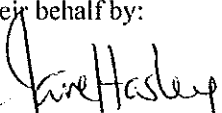
The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the management committee.


**PREPARER OF THE ANNUAL FINANCIAL STATEMENTS**

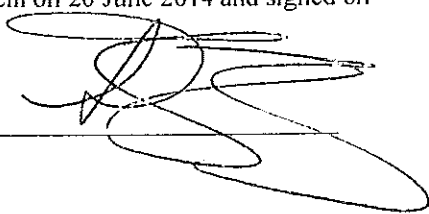
The financial statements were prepared under the supervision of Navi Chetty.

**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 2014 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 2014, 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 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 2014 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 2014

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Revenue</b>		8 826 617	6 851 511
LifeLine Core		254 099	413 873
AIDS Wellness		5 349 808	2 874 487
Gender Wellness		3 222 710	3 148 151
Lottery income		-	415 000
Investment income	2	261 752	242 416
Other income		112 000	-
<b>Expenditure</b>		8 346 248	6 551 501
LifeLine Core		682 774	854 186
AIDS Wellness		4 421 791	2 292 460
Gender Wellness		3 241 683	2 991 250
Lottery expenses		-	413 605
Net profit before taxation	3	854 121	542 426
Taxation	4	-	-
Net profit for the year		854 121	542 426
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>854 121</u>	<u>542 426</u>

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF FINANCIAL POSITION**  
as at 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	500 001	500 001
Sustainability funds	7	3 147 699	2 983 140
		<hr/>	<hr/>
		3 647 700	3 483 141
		<hr/>	<hr/>
<b>Current Assets</b>			
Trade and other receivables	8	638 793	262 301
Funds receivable	9	642 085	9
Cash and cash equivalents	10	2 649 146	2 040 441
		<hr/>	<hr/>
		3 930 024	2 302 751
		<hr/>	<hr/>
<b>Total Assets</b>		<u><u>7 577 724</u></u>	<u><u>5 785 892</u></u>
 <b>Equity and Liabilities</b>			
<b>Funds</b>			
Core/General		1 751 429	1 806 352
AIDS/Wellness		3 550 453	2 622 436
Gender Wellness/Rape Crisis		314 527	333 500
NLDTF		1 463	1 463
		<hr/>	<hr/>
		5 617 872	4 763 751
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Funding received in advance	11	1 848 924	818 759
Trade and other payables	12	67 734	202 857
Cash and cash equivalents	10	43 194	525
		<hr/>	<hr/>
		1 959 852	1 022 141
		<hr/>	<hr/>
<b>Total Equity and Liabilities</b>		<u><u>7 577 724</u></u>	<u><u>5 785 892</u></u>

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF CHANGES IN FUNDS**  
for the year ended 28 February 2014

	<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 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
Total comprehensive income for the year	(54 923)	928 017	(18 973)	-	854 121
Balance at the end of the year - 2014	1 751 429	3 550 453	314 527	1 463	5 617 872

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF CASH FLOWS**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Cash generated from operating activities</b>		730 595	397 343
Net profit for the year		854 121	542 426
General Fund		(54 923)	(197 897)
AIDS Wellness Fund		928 017	582 027
Gender Wellness/Rape Crisis Fund		(18 973)	156 901
NLDTF		-	1 395
Adjusted for:		(261 752)	(229 042)
Depreciation		-	13 373
Sustainable investment income		(261 752)	(242 415)
Cash generated from operations		581 183	313 384
Changes in working capital:		(112 340)	(176 456)
(Increase)/decrease in trade and other receivables		(376 492)	111 591
(Decrease)/increase in trade other payables		(135 123)	119 130
Increase/(decrease) in funding received in advance		388 089	(407 177)
Investment income		261 752	242 415
<b>Cash utilised in investing activities</b>		(164 559)	(767 099)
Acquisition of property, plant and equipment		-	(13 373)
Increase in movement in sustainability funds		(164 559)	(753 726)
<b>Net increase/(decrease) in cash and cash equivalents</b>		566 036	(387 756)
<b>Cash and cash equivalents at the beginning of the year</b>		2 039 916	2 427 672
<b>Cash and cash equivalents at the end of the year</b>	10	2 605 952	2 039 916



**LIFELINE PIETERMARITZBURG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 28 February 2014

**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 PIETERMARITZBURG**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 28 February 2014

	<u>2014</u> R	<u>2013</u> R
<b>2. INVESTMENT INCOME</b>		
Interest	255 612	227 044
Dividends	802	3 372
Gain on investment	5 338	12 000
	<u>261 752</u>	<u>242 416</u>
<b>3. NET PROFIT BEFORE TAXATION</b>		
Net profit before taxation is stated after the following:		
Amount paid to directors – Sinikiwe Biyela	<u>418 686</u>	<u>358 625</u>
<b>4. TAXATION</b>		
No provision is made for taxation as the organisation is not liable for tax under section 10(1)(cN) of the Income Tax Act.		
<b>5. FUNDRAISING INCOME</b>		
Art in the park	8 561	8 505
Crossbow	23 484	59 520
Volunteer development	25 460	33 350
External workshops and talks	20 971	22 374
Hire of facilities	19 091	38 868
Income from other sources	311	14 750
Reception – sales	500	3 450
Reception – purchases	-	(5 885)
	<u>98 378</u>	<u>174 932</u>

**LIFELINE PIETERMARITZBURG**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 28 February 2014

**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
<b><u>2014</u></b>				
Opening carrying value	500 000	-	1	500 001
- Cost	500 000	124 304	238 712	863 016
- Accumulated depreciation	-	(124 304)	(238 711)	(363 015)
- Additions	-	-	-	-
- Depreciation	-	-	-	-
- Disposals	-	-	-	-
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
<b><u>2013</u></b>				
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

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 2014

	<u>2014</u>	<u>2013</u>
	R	R
<b>7. SUSTAINABILITY FUNDS</b>		
Investec	1 250 427	1 185 420
BOE	1 851 078	1 756 863
Compushare Old Mutual	46 194	40 857
	<u>3 147 699</u>	<u>2 983 140</u>
<b>8. TRADE AND OTHER RECEIVABLES</b>		
Trade debtors	374 559	149 695
Provision for doubtful debts	(16 187)	(1 350)
	<u>358 372</u>	<u>148 345</u>
Net trade debtors	358 372	148 345
Sundry debtors	18 866	20 522
Deposits	12 600	4 400
Staff loans	3 935	-
South African Revenue Services – VAT	245 020	(89 034)
	<u>638 793</u>	<u>262 301</u>
<b>9. FUNDS RECEIVABLE</b>		
Aids foundation	642 085	-
	<u>642 085</u>	<u>-</u>

**LIFELINE PIETERMARITZBURG**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 28 February 2014

	<u>2014</u>	<u>2013</u>
	R	R
<b>10. CASH AND CASH EQUIVALENTS</b>		
Sanlam	1 270 734	1 208 530
Standard Bank - 32 Day Call Account	16 940	505 068
Standard Bank - 24 Hour Call Account	616 106	90 080
Petty Cash	4 337	4 020
Standard Bank - Pepfar Current Account	15 632	2 090
Standard Bank- Family Matters Project	249 738	-
Standard Bank – USAID Account	342 072	368
USAID Call Account	133 587	216 250
	<hr/>	<hr/>
	2 649 146	2 040 441
Standard Bank Business Account overdraft	(526)	(525)
Credit cards	(18 711)	-
Standard Bank – cheque account	(23 957)	-
	<hr/>	<hr/>
	(43 194)	(525)
	<hr/>	<hr/>
	2 605 952	2 039 916
	<hr/> <hr/>	<hr/> <hr/>

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

**11. FUNDING RECEIVED IN ADVANCE**

Lifeline Durban	22 650	14 990
USAID	138 122	25 927
Ukulapha	-	5 831
Terre Des Hommes	579 602	386 591
1 <sup>st</sup> for woman trust	182 259	76 456
First Rand Foundation	175 323	45 302
S.A. Aids foundation	19 141	263 662
Ford foundation	20 890	-
Mary Slack and Daughters	55 252	-
Nacosa	19 855	-
CARRA	246 213	-
Anglo American	55 628	-
Joint Gender Fund	333 989	-
	<hr/>	<hr/>
	1 848 924	818 759
	<hr/> <hr/>	<hr/> <hr/>

**12. TRADE AND OTHER PAYABLES**

Accrued expenses	65 034	200 157
Deposits	2 700	2 700
	<hr/>	<hr/>
	67 734	202 857
	<hr/> <hr/>	<hr/> <hr/>

**LIFELINE PIETERMARITZBURG**  
**CORE REVENUE AND EXPENDITURE**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Revenue</b>		254 099	413 873
Pietermaritzburg Community Chest		56 250	51 750
Donations		75 852	91 001
Fund raising income	5	98 378	174 932
Membership fees		1 199	1 335
Recovery of core expenditure from projects		16 310	90 548
Rental received		6 110	4 306
<b>Operating Expenses</b>		682 774	740 784
Accounting/audit fee		10 216	4 607
Advertising and publicity		17 204	3 487
Bad debts		14 837	-
Bank charges		4 325	4 784
Communication		-	10 826
Conference costs		5 323	10 738
Depreciation		-	13 373
Discount given		-	24 150
Electricity		-	4 361
Fundraising/business development costs		-	16 982
Insurance		-	1 351
Refreshments and cleaning		-	6 094
Repairs and maintenance		230 763	35 666
Salaries and wages		385 269	583 163
Security		-	1 208
Staff costs		163 563	18 508
Subscriptions		1 274	555
Sundry expenses		-	326
Training and other		-	605
<b>Net loss from operations</b>		(428 675)	(326 911)
Investment income	2	261 752	242 416
Other income		112 000	-
<b>Net loss for the year</b>		(54 923)	(84 495)

**LIFELINE PIETERMARITZBURG**  
**AIDS WELLNESS REVENUE AND EXPENDITURE**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Revenue</b>		5 249 808	2 874 487
Department of Social Development		299 454	353 708
External workshops and talks		-	1 350
<i>Project income</i>			
- Pefpar		14 910	848 863
- S.A. Aids foundation		1 638 536	536 363
- Hulamin		100 000	50 000
- Training and other		1 002 418	803 431
- USAID		2 294 489	280 772
<b>Operating Expenses</b>		4 421 791	2 405 862
Other expenses		-	52 748
Salaries and wages		-	286 428
Subsistence and travel		11 785	9 078
<i>Project expenses</i>			
- Department of Social Welfare		332 770	-
- S. A. Aids foundation		1 638 536	536 360
- Pefpar		-	877 851
- Training		44 211	309 659
- Hulamin		100 000	52 966
- USAID		2 294 489	280 772
<b>Net profit for the year</b>		928 016	468 625

**LIFELINE PIETERMARITZBURG**  
**GENDER WELLNESS REVENUE AND EXPENDITURE**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Revenue</b>		3 222 710	3 148 151
Joint Gender		8 512	-
Anglo American		99 372	100 000
First Rand Foundation		709 979	508 652
1 <sup>st</sup> for woman trust		424 197	464 691
Ford Foundation		892 185	775 953
Arcelor Mittal		-	50 000
RTI		-	246 728
KZN Social Development		287 462	363 154
Terres Des Hommes		752 468	638 973
CARA		3 788	-
Mary Slack and Daughters		44 747	-
<b>Operating Expenses</b>		3 241 683	2 991 250
Project expenses		709 979	508 652
- First Rand Foundation		3 788	-
- CARRA		4 656	-
- Joint Gender Fund		892 185	769 562
- Ford Foundation		-	247 500
- RTI		310 290	236 981
- KZN Social Development		752 468	638 973
- Terres Des Hommes		44 748	-
- Mary Slack and Daughters		424 197	464 691
- 1 <sup>st</sup> for woman trust		-	28 280
- Arcelor Mittal		99 372	96 611
- Anglo American		-	-
<b>Net (loss)/profit for the year</b>		<u>(18 973)</u>	<u>156 901</u>



**LIFELINE PIETERMARITZBURG**  
**LOTTERY REVENUE AND EXPENDITURE**  
for the year ended 28 February 2014

	<u>Notes</u>	<u>2014</u> R	<u>2013</u> R
<b>Revenue</b>		-	415 000
NLDTF		-	415 000
<b>Operating Expenses</b>			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
Catering		-	24 142
Staff costs		-	52 863
Stipends		-	99 518
Sundry expense		-	9 463
Security		-	24 549
Baseline		-	25 000
Community Jambaree		-	28 803
<b>Net profit for the year</b>		-	1 395