

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

**Audited Annual Financial Statements**  
**for the year ended 28 February 2015**

**LIFELINE PIETERMARITZBURG**  
**AUDITED ANNUAL FINANCIAL STATEMENTS**  
For the year ended 28 February 2015

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

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**MANAGEMENTS' 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 Practices 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.

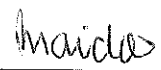
**PREPARER OF THE ANNUAL FINANCIAL STATEMENTS**

The financial statements were prepared under the supervision of Navi Chetty (Financial Manager).

**MANAGEMENTS' 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 15 are the responsibility of the management committee and were approved by them on 27 June 2015 and signed on their behalf by:

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Director

## 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 2015, and the statement of profit and loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management Responsibility for the Financial Statements*

The management are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practices 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)

#### *Basis for Qualified Opinion*

#### *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, except for the matters in the basis for qualified opinion paragraph above, the financial statements present fairly in all material respects of the financial position of LifeLine Pietermaritzburg as at 28 February 2015 and its financial performance and cash flows for the year ended in accordance with generally accepted accounting practice as detailed in note 1 of the financial statements.

#### *Other Matters*

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 13 to 15 does not form part of the annual financial statements and are 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

27 June 2015

**LIFELINE PIETERMARITZBURG****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Revenue</b>		9 786 841	8 826 617
LifeLine Core		270 185	254 099
AIDS Wellness		5 633 309	5 349 808
Gender Wellness		3 883 347	3 222 710
Investment income	2	362 422	261 752
Other income		-	112 000
<b>Expenditure</b>		9 091 277	8 346 248
LifeLine Core		116 988	682 774
AIDS Wellness		5 160 303	4 421 791
Gender Wellness		3 813 986	3 241 683
Profit before taxation	3	1 057 987	854 121
Taxation	4	-	-
Net profit for the year		1 057 987	854 121
Other comprehensive income		-	-
Total comprehensive income for the year		1 057 987	854 121

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF FINANCIAL POSITION**  
as at 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	500 001	500 001
Sustainability funds	7	3 342 131	3 147 699
		<hr/>	<hr/>
		3 842 132	3 647 700
		<hr/>	<hr/>
<b>Current Assets</b>			
Trade and other receivables	8	299 257	638 793
Funds receivable	9	158 722	642 085
Cash and cash equivalents	10	6 111 438	2 649 146
		<hr/>	<hr/>
		6 569 417	3 930 024
		<hr/>	<hr/>
<b>Total Assets</b>		<u>10 411 549</u>	<u>7 577 724</u>
<b>Equity and Liabilities</b>			
<b>Funds</b>			
Core/General		2 267 048	1 751 429
AIDS/Wellness		4 023 459	3 550 453
Gender Wellness/Rape Crisis		383 889	314 527
NLDTF		1 463	1 463
		<hr/>	<hr/>
		6 675 859	5 617 872
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Funding received in advance	11	3 671 563	1 848 924
Trade and other payables	12	60 630	67 734
Cash and cash equivalents	10	3 497	43 194
		<hr/>	<hr/>
		3 735 690	1 959 852
		<hr/>	<hr/>
<b>Total Equity and Liabilities</b>		<u>10 411 549</u>	<u>7 577 724</u>

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF CHANGES IN FUNDS**  
for the year ended 28 February 2015

	<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 year - 2013	1 806 352	2 622 436	333 500	1 463	4 763 751
Total comprehensive (loss)/ 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
Total comprehensive income for the year	515 619	473 006	69 362	-	1 057 987
Balance at the end of the year - 2015	2 267 048	4 023 459	383 889	1 463	6 675 859

**LIFELINE PIETERMARITZBURG**  
**STATEMENT OF CASH FLOWS**  
for the year ended 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Cash generated from operating activities</b>		3 696 423	730 595
Net profit for the year		1 057 987	854 121
General Fund		(515 619)	(54 923)
AIDS Wellness Fund		(473 006)	928 017
Gender Wellness/Rape Crisis Fund		(69 362)	(18 973)
NLDTF		-	-
Adjusted for:		(362 422)	(261 752)
Depreciation		-	-
Sustainable investment income		(362 422)	(261 752)
Cash generated from operations		695 565	581 183
Changes in working capital:		2 638 435	(112 340)
Decrease/(increase) in trade and other receivables		339 536	(376 492)
(Decrease) in trade other payables		(7 104)	(135 123)
Increase in funding received in advance		483 364	388 089
Decrease in funds receivable		1 822 639	-
Sustainable investment income		362 422	261 752
<b>Cash utilised in investing activities</b>		(194 433)	(164 559)
Acquisition of property, plant and equipment		-	-
Increase in movement in sustainability funds		(194 433)	(164 559)
<b>Net increase/(decrease) in cash and cash equivalents</b>		3 501 989	566 036
<b>Cash and cash equivalents at the beginning of the year</b>		2 605 952	2 039 916
<b>Cash and cash equivalents at the end of the year</b>	10	6 107 941	2 605 952



**LIFELINE PIETERMARITZBURG**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 28 February 2015

**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 2015

	<u>2015</u>	<u>2014</u>
	R	R
<b>2. INVESTMENT INCOME</b>		
Interest	356 793	255 612
Dividends	-	802
Gain on investment	5 629	5 338
	<u>362 422</u>	<u>261 752</u>
<b>3. PROFIT BEFORE TAXATION</b>		
Profit before taxation is stated after the following:		
Amount paid to directors	<u>498 934</u>	<u>418 686</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	8 020	8 561
Crossbow	23 096	23 484
Volunteer development	17 797	25 460
External workshops and talks	49 143	20 971
Hire of facilities	3 005	19 091
Income from other sources	20 430	311
Reception – sales	-	500
Reception – purchases	-	-
	<u>121 491</u>	<u>98 378</u>

**LIFELINE PIETERMARITZBURG**  
 NOTES TO THE FINANCIAL STATEMENTS (continued)  
 for the year ended 28 February 2015

**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>2015</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>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

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 2015

	<u>2015</u>	<u>2014</u>
	R	R
<b>7. SUSTAINABILITY FUNDS</b>		
Investec	1 331 595	1 250 427
BOE	1 958 712	1 851 078
Compushare Old Mutual	51 824	46 194
	<u>3 342 131</u>	<u>3 147 699</u>
<b>8. TRADE AND OTHER RECEIVABLES</b>		
Trade debtors	4 852	374 559
Provision for doubtful debts	(1 350)	(16 187)
	<u>3 502</u>	<u>358 372</u>
Net trade debtors	3 502	358 372
Sundry debtors	26 866	18 866
Deposits	12 600	12 600
Staff loans	-	3 935
South African Revenue Services - VAT	256 290	245 020
	<u>299 258</u>	<u>638 793</u>
<b>9. FUNDS RECEIVABLE</b>		
Aids foundation	-	642 085
NACOSA	86 753	-
CARA	71 969	-
	<u>158 722</u>	<u>642 085</u>

**LIFELINE PIETERMARITZBURG**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 28 February 2015

	<u>2015</u> R	<u>2014</u> R
<b>10. CASH AND CASH EQUIVALENTS</b>		
Standard Bank cheque account	211 351	-
Sanlam	1 345 566	1 270 734
Standard Bank - 32 Day Call Account	1 645 512	16 940
Standard Bank - 24 Hour Call Account	1 974 293	616 106
Petty Cash	5 834	4 337
Standard Bank - Pepfar Current Account	445 076	15 632
Standard Bank- Family Matters Project	248 638	249 738
Standard Bank – USAID Account	71 430	342 072
USAID Call Account	163 738	133 587
	<hr/>	<hr/>
	6 111 438	2 649 146
Standard Bank Business Account overdraft	(526)	(526)
Credit cards	(2 971)	(18 711)
Standard Bank – cheque account	-	(23 957)
	<hr/>	<hr/>
	(3 497)	(43 194)
	<hr/>	<hr/>
	<u>6 107 941</u>	<u>2 605 952</u>

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

**11. FUNDING RECEIVED IN ADVANCE**

Lifeline Durban	-	22 650
USAID	136 388	138 122
Sundry	37 770	-
Terre Des Hommes	870 508	579 602
1 <sup>st</sup> for woman trust	288 326	182 259
First Rand Foundation	329 223	175 323
S.A. Aids foundation	866 831	19 141
Ford foundation	977 315	20 890
Mary Slack and Daughters	-	55 252
Nacosa	-	19 855
CARRA	-	246 213
Anglo American	111 658	55 628
Joint Gender Fund	53 544	333 989
	<hr/>	<hr/>
	3 671 563	1 848 924
	<hr/>	<hr/>

**12. TRADE AND OTHER PAYABLES**

Accrued expenses	57 931	65 034
Deposits	2 700	2 700
	<hr/>	<hr/>
	60 630	67 734
	<hr/>	<hr/>

**LIFELINE PIETERMARITZBURG**  
**CORE REVENUE AND EXPENDITURE**  
for the year ended 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Revenue</b>		270 185	254 099
Pietermaritzburg Community Chest		49 950	56 250
Donations		70 719	75 852
Fund raising income	5	121 491	98 378
Membership fees		1 050	1 199
Recovery of core expenditure from projects		21 745	16 310
Rental received		5 230	6 110
<b>Operating Expenses</b>		(116 988)	(682 774)
Accounting/audit fee		-	10 216
Advertising and publicity		5 391	17 204
Bad debts		-	14 837
Bank charges		4 336	4 325
Conference costs		-	5 323
Repairs and maintenance		667	230 763
Salaries and wages		-	385 269
Security		36 244	-
Staff costs		8 063	163 563
Subscriptions		3 765	1 274
Sundry expenses		37 558	-
Training and other		20 964	-
Net profit/(loss) from operations		153 197	(428 675)
Investment income	2	362 422	261 752
Other income		-	112 000
<b>Net profit/(loss) for the year</b>		<b>515 619</b>	<b>(54 923)</b>

**LIFELINE PIETERMARITZBURG**  
**AIDS WELLNESS REVENUE AND EXPENDITURE**  
for the year ended 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Revenue</b>		5 633 309	5 249 808
<i>Project income</i>			
- Department of Social Development		373 517	299 454
- Pefpar		-	14 910
- S.A. Aids foundation		2 157 069	1 638 536
- Hulamin		-	100 000
- Training and other		636 749	1 002 418
- USAID		2 465 974	2 294 489
<b>Operating Expenses</b>		(5 422 866)	(4 421 791)
<i>Project expenses</i>			
- Subsistence and travel		-	11 785
- Department of Social Welfare		352 736	332 770
- S. A. Aids foundation		2 157 069	1 638 536
- Pefpar		-	-
- Training		184 525	44 211
- Hulamin		-	100 000
- USAID		2 465 973	2 294 489
<b>Net profit for the year</b>		<u>473 006</u>	<u>928 016</u>

**LIFELINE PIETERMARITZBURG**  
**GENDER WELLNESS REVENUE AND EXPENDITURE**  
for the year ended 28 February 2015

	<u>Notes</u>	<u>2015</u> R	<u>2014</u> R
<b>Revenue</b>		3 883 347	3 222 710
Joint Gender		280 444	8 512
Anglo American		143 970	99 372
First Rand Foundation		596 099	709 979
1 <sup>st</sup> for woman trust		623 933	424 197
Ford Foundation		135 919	892 185
NACOSA		714 163	-
KZN Social Development		476 049	287 462
Terres Des Hommes		539 346	752 468
CARA		318 172	3 788
Mary Slack and Daughters		55 252	44 747
<b>Operating Expenses</b>		(3 813 986)	(3 241 683)
Project expenses			
- First Rand Foundation		596 099	709 979
- CARA		318 172	3 788
- Joint Gender Fund		279 857	4 656
- Ford Foundation		135 919	892 185
- NACOSA		714 163	-
- KZN Social Development		407 274	310 290
- Terres Des Hommes		539 347	752 468
- Mary Slack and Daughters		55 252	44 748
- 1 <sup>st</sup> for woman trust		623 933	424 197
- Anglo American		143 970	99 372
<b>Net profit/(loss) for the year</b>		<u>69 362</u>	<u>(18 973)</u>