

AREPP: Theatre For Life Trust
(Registration number 642/91)
(NPO number 014-688NPO)
Financial statements
for the 13 months ended 31 March 2010

AREPP:Theatre For Life Trust

(Registration number 642/91)

Financial Statements for the 13 months ended 31 March 2010

General Information

Country of domicile	South Africa To produce travelling Applied Theatre presentations in schools, providing interactive, social life-skills education to school-going youth, to develop self-efficacy and resilience in relation to sexuality and sexual & reproductive health issues
Nature of business and principal activities	
Trustees	L Motsepe B Heydenrych J Honeyman A Henwood S Omar B Smith S Hellberg N S Culayo L Sokhulu H Sadiki
Business address	16 John Street Mowbray Cape Town 7705
Postal address	PO Box 13869 Mowbray Cape Town 7705
Auditor's	RSM Betty & Dickson (Cape Town) Chartered Accountants (S.A.) Registered Auditor
Trust number	642/91
NPO reference number	014-688NPO

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Financial Statements for the 13 months ended 31 March 2010

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RSM Betty & Dickson

Report of the independent auditors

To the trustees of AREPP:Theatre For Life Trust

We have audited the financial statements of AREPP:Theatre For Life Trust, which comprise the balance sheet as at 31 March 2010, and the income statement, statement of changes in reserves and cash flow statement for the 13 months then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report as set out on pages 5 to 15.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as set out in note 1 to the 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 auditor's 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 qualified audit opinion.

Basis for Qualified Opinion

It is not feasible for the trust to institute accounting controls over the collection of income from sources other than grants and interest. It was therefore impracticable for us to obtain sufficient adequate audit evidence to express an unqualified opinion on receipts other than grants and interest.

Chartered Accountants (SA)

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RSM Betty & Dickson (Cape Town) Practice No. 958069 is an independent member firm of RSM International an affiliation of independent accounting and consulting firms. The South African member firms of RSM International practise entirely independently of each other in Cape Town, Durban, Johannesburg and Tshwane.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of AREPP:Theatre For Life Trust as at 31 March 2010, and its financial performance and cash flows for the 13 months then ended in accordance with the accounting policies as set out in note 1.

Going concern

Without further qualifying our opinion, we draw attention to a the going concern paragraph of the Trustees' report. The future existence of the trust is dependant upon the continued support of its donors, by way of grants. Should the grants be withdrawn there would exist material uncertainty that the trust will continue as a going concern.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 16 to 17 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.

15 Greenwich Grove
Station Road
7700

RSM Betty & Dickson (IT)

RSM Betty & Dickson (Cape Town)
Registered Auditor
Chartered Accountants (SA)

27 May 2010

Date

AREPP:Theatre For Life Trust

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Financial Statements for the 13 months ended 31 March 2010

Trustees' report

The trustees submit their report for the 13 months ended 31 March 2010.

1. Review of activities

Main business and operations

The trust is engaged to produce travelling Applied Theatre presentations in schools, providing interactive, social life-skills education to school-going youth, to develop self-efficacy and resilience in relation to sexuality and sexual & reproductive health issues.

The operating results and state of affairs of the trust are fully set out in the attached financial statements and do not, in our opinion, require any further comment.

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the trust to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations for the trust.

3. Events after the reporting period

We are not aware of any matter or circumstance arising since the end of the financial 13 months.

4. Non-current assets

Details of major changes in the nature of the non-current assets of the trust during the 13 months are set out in note 2 of the annual financial statements.

5. Trustees

The trustees of the trust during the 13 months and to the date of this report are as follows:

Name	Nationality	Changes
L Motsepe	South African	
M L Nell	South African	Resigned 05 November 2009
B Heydenrych	South African	
J Honeyman	South African	
A Henwood	South African	
S Omar	South African	
B Smith	South African	
S Hellberg	South African	
N S Culayo	South African	
L Sokhulu	South African	
H Sadiki	South African	Appointed 05 November 2009

6. Change in year end

During the year under review the trust changed its year end to 31 March.

7. Auditor's

RSM Betty & Dickson (Cape Town) were appointed as auditors of the trust during the year under review.

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Financial Statements for the 13 months ended 31 March 2010

Trustees' report

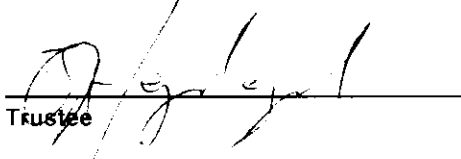
8. Statement of responsibility

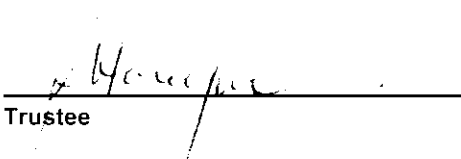
The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statement and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with accounting policies set out in note 1 to the financial statements.

The trustees are also responsible for the trust's systems of internal control. These are designed to provide reasonable, but not absolute assurance as reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

The financial statements set out on pages 5 to 15 and supplementary schedules on pages 16 to 17, were approved by the trustees and signed on our behalf by:


Trustee


Trustee

27 May 2010

Date

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Financial Statements for the 13 months ended 31 March 2010

Balance sheet

Figures in Rand	Note(s)	31 March 2010	28 February 2009
Assets			
Non-Current Assets			
Property and equipment	2	1 416 954	1 418 139
Current Assets			
Trade and other receivables	3	938 888	343 749
Cash and cash equivalents	4	3 534 958	3 518 027
		4 473 846	3 861 776
Total Assets		5 890 800	5 279 915
Equity and Liabilities			
Equity			
Property and equipment fund		1 416 954	1 418 139
Operating and program funds		2 445 537	2 860 899
		3 863 091	4 279 638
Liabilities			
Current Liabilities			
Trade and other payables	5	34 482	40 976
Deferred grant income	6	1 993 227	959 301
		2 027 709	1 000 277
Total Equity and Liabilities		5 890 800	5 279 915

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Financial Statements for the 13 months ended 31 March 2010

Income statement

Figures in Rand	Note(s)	13 months ended 31 March 2010	Year ended 28 February 2009
Income			
Grants	7	1 777 084	2 436 257
Other project income		127 556	612 983
Donations		-	103 113
Fees		-	30 685
Interest received		252 277	363 936
Sundry income		15 898	644
		2 172 815	3 547 618
Expenditure			
		2 504 018	2 877 707
Administration cost			
		257 990	212 679
Auditors remuneration		25 078	30 703
Expensed equipment		5 217	5 278
Insurance		35 138	32 016
Legal fees		15 415	1 550
Rent, electricity and water		87 889	82 520
Security costs		10 406	6 712
Staff welfare		10 521	6 648
Staff costs		68 326	47 252
Production costs			
		2 246 028	2 665 028
Accommodation		89 368	135 302
Per diem		46 099	67 905
Communications		54 573	64 205
Dissemination and development		19 945	16 594
Finance		80 561	93 221
Media costs		-	102 725
Support material		11 623	-
Show arrangements		280 034	329 435
Show development		89 715	239 305
Show maintenance		1 292	7 631
Management cost		1 020 112	726 112
Monitor, evaluate and report		5 065	14 722
Travel		185 444	218 675
Performers		362 197	649 196
(Deficit) surplus for the year		(331 203)	669 911

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Statement of changes in reserves

	Trust capital	Property and equipment fund	Operating and program funds	Total equity
Figures in Rand				
Balance at 28 February 2008	600	1 493 252	2 216 776	3 710 628
Changes in reserves				
Surplus for the year	-	-	669 911	669 911
Transfer to property and equipment fund	-	25 788	(25 788)	-
Depreciation for the year	-	(100 901)	-	(100 901)
Total changes	-	(75 113)	644 123	569 010
Balance at 28 February 2009	600	1 418 139	2 860 899	4 279 638
Changes in equity				
Deficit for the 13 months	-	-	(331 203)	(331 203)
Transfer to property and equipment fund	-	84 158	(84 159)	(1)
Depreciation for the year	-	(85 343)	-	(85 343)
Total changes	-	(1 185)	(415 362)	(416 547)
Balance at 31 March 2010	600	1 416 954	2 445 537	3 863 091

Note(s)

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Cash flow statement

Figures in Rand	Note(s)	13 months ended 31 March 2010	Year ended 28 February 2009
Cash flows from operating activities			
Cash receipts from donors and schools		1 854 066	1 482 299
Cash paid to suppliers and employees		(2 005 253)	(2 842 023)
Cash used in operations	9	(151 187)	(1 359 724)
Interest income		252 277	363 936
Net cash from operating activities		101 090	(995 788)
Cash flows from investing activities			
Purchase of property and equipment	2	(92 931)	(25 789)
Sale of property and equipment	2	8 772	-
Net cash from investing activities		(84 159)	(25 789)
Total cash movement for the 13 months		16 931	(1 021 577)
Cash at the beginning of the 13 months		3 518 027	4 539 604
Total cash at end of the 13 months	4	3 534 958	3 518 027

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Financial Statements for the 13 months ended 31 March 2010

Accounting policies

1. Presentation of Financial Statements

The financial statements have been prepared on the historical cost basis in accordance with the accounting policies as set out below.

These accounting policies are consistent with the previous period.

1.1 Accounting convention

The trust is registered with the Master of the High Court under the Trust Property Control Act, 1988, and as such no part of its income or property shall be transferred to its trustees directly or indirectly. All reserves of the trust are consequently non-distributable.

1.2 Property and equipment

Property and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

Property and equipment is carried at cost less accumulated depreciation. Land and buildings, and Leasehold improvements are not depreciated.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property and equipment, which is as follows:

Item	Average useful life
Computer equipment	3 years
Motor vehicles	5 years
Office equipment, furniture and tools	5.9 years
Sound and video equipment	5.9 years

The depreciation charge for each period is recognised through the equipment fund, unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognising of an item of equipment is included in the equipment fund when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

It is the policy of the trust to write off the cost of all asset purchases against the operating fund in the year that the assets are acquired as the majority of the income is from funders who request that the assets be expensed in the year of purchase.

1.3 Property and equipment fund

In order that operating reserves reflect only the reserves available to fund the future operations of the trust, those reserves that relate to the residual value of equipment are separated out and reflected within an equipment fund.

In order to give effect to this policy, an amount equal to the cost of equipment acquired, adjusted by proceeds on disposals during the year, is transferred each year from operating reserves to the equipment fund.

Depreciation and profits and loss on disposals are adjusted annually against the fund.

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Accounting policies

1.4 Income

Income from grants is recognised in the financial period in which it relates. Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs. The expected surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

Project expenses that are clearly identifiable are allocated directly against project funds in terms of the contractual obligations to donors. Indirect and shared costs are apportioned based on management estimates.

Interest income is recognised using the effective interest method.

All other income is recognised as and when received.

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Notes to the financial statements

Figures in Rand

2010

2009

2. Property and equipment

	2010			2009		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	139 403	(119 568)	19 835	128 001	(89 291)	38 710
Land and buildings	1 300 000	-	1 300 000	1 300 000	-	1 300 000
Leasehold improvements	62 627	-	62 627	-	-	-
Motor vehicles	478 855	(478 855)	-	487 627	(448 080)	39 547
Office equipment, furniture and tools	100 913	(66 421)	34 492	81 773	(51 763)	30 010
Sound and video equipment	67 719	(67 719)	-	67 719	(57 847)	9 872
Total	2 149 517	(732 563)	1 416 954	2 065 120	(646 981)	1 418 139

Reconciliation of property and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Computer equipment	38 710	11 403	-	(30 278)	19 835
Land and buildings	1 300 000	-	-	-	1 300 000
Leasehold improvements	-	62 627	-	-	62 627
Motor vehicles	39 547	-	(8 772)	(30 775)	-
Office equipment, furniture and tools	30 010	18 901	-	(14 419)	34 492
Sound and video equipment	9 872	-	-	(9 872)	-
	1 418 139	92 931	(8 772)	(85 344)	1 416 954

Details of properties

Johannesburg

Land and buildings comprises Erf. 1853 Johannesburg situated in Sydenham Township, measuring 854 square meters, with improvements thereto - at trustees' valuation.

- Purchase price: 19 April 1999	220 000	220 000
- Trustees' valuation	893 416	893 416
- Additions since purchase or valuation	186 584	186 584
	1 300 000	1 300 000

3. Trade and other receivables

Deposits	897 618	-
Value-added Tax	16 270	-
Accrued grant income	25 000	343 749
	938 888	343 749

Accrued grant income

The expenditure has been incurred, but the amount of R25 000 is due from the National Arts Council is outstanding. During the year the trust received R343 749 from the National Lotteries Distribution Trust Fund.

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Notes to the financial statements

Figures in Rand	2010	2009
3. Trade and other receivables (continued)		
Deposits		
Deposits comprise of payment made to the amount of R897 698 on the acquisition of the Cape Town property. Transfer of the property has not yet taken place on the balance sheet date.		
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	35 377	62 141
Short-term deposits	3 499 581	3 455 886
	3 534 958	3 518 027
5. Trade and other payables		
Value-added Tax	-	12 564
Accruals	10 314	4 400
PAYE and UIF liability	24 168	24 012
	34 482	40 976
6. Deferred grant income		
Heading		
ICCO / Stop Aids Now	-	288 051
Interchurch Organisation for Development Cooperation (ICCO)	498 150	671 250
National Lotteries Distribution Trust Fund	1 495 077	-
	1 993 227	959 301
7. Grants		
Interchurch Organisation for Development Co-operation (ICCO)/Stop Aids Now		
Received	50 332	-
Deferred to 2010	288 051	(288 051)
Deferred to 2009	-	1 349 043
Interchurch Organisation for Development Co-operation (ICCO) - 03-01-00-491/ZA042071		
Received	498 150	671 250
Deferred to 2011	(498 150)	-
Deferred to 2010	671 250	(671 250)
Deferred to 2009	-	1 164 836
National Arts Council		
Received	225 000	-
Accrued in 2010	25 000	-

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Financial Statements for the 13 months ended 31 March 2010

Notes to the financial statements

Figures in Rand	2010	2009
7. Grants (continued)		
National Lotteries Distribution Trust Fund		
Received	1 976 896	-
Deferred to 2011	(1 495 077)	-
Accrued in 2009	-	343 749
Accrued in 2008	-	(203 696)
L.A. Radio		
Received	2 632	-
Simelela - Medecins Sans Frontieres		
Received	33 000	-
Western Cape Cultural Commission/Department of Cultural Affairs and Sport		
Deferred to 2009	-	12 516
CWCI		
Received	-	53 708
Deferred to 2009	-	4 152
	1 777 084	2 436 257

8. Taxation

No provision has been made for income tax as the trust has been granted tax exemption in terms of section 10(i)(cN) as read with section 30 of the Income Tax Act.

9. Cash used in operations

(Deficit) surplus for the year	(331 203)	669 911
Adjustments for:		
Interest received	(252 277)	(363 936)
Changes in working capital:		
Trade and other receivables	(595 139)	(130 137)
Trade and other payables	(6 494)	35 684
Deferred grant income	1 033 926	(1 571 246)
	(151 187)	(1 359 724)

1 MARCH 2009 - 31 MARCH 2010							
LINE ITEM	BUDGET	Actual	ICCO	NAC	NLDTF	SAN	Arepp
TOTAL COSTS	2 843 756	2 504 017	671 250	250 000	481 819	338 383	762 566
PROJECT COSTS	2 610 868	2 271 106	622 315	230 000	439 449	323 056	656 287
Finance Control	150 389	105 638	44 408	15 000	12 925	13 395	19 909
Management Costs	1 022 050	1 020 112	290 493	-	220 289	108 591	400 739
Monitor, Evaluate, Report	26 585	5 065	689	-	-	4 377	0
Support Material	34 980	11 623	8 623	3 000	-	-	-
Performers	410 950	362 197	66 546	145 000	27 836	106 656	16 160
Show Arrangement & Co-ordination	306 509	280 034	56 250	25 000	90 825	18 750	89 209
Show Development	160 012	89 715	59 233	2 000	17 203	8 402	2 876
Show Maintenance	2 578	1 292	1 063	-	-	26	203
Dissemination & Development	31 147	19 945	34	-	-	840	19 071
Travelling	220 329	185 444	47 313	18 000	31 956	27 283	60 892
Communications	80 953	54 573	16 386	9 000	7 243	460	21 484
Accomodation	119 632	89 368	22 803	12 900	23 132	17 996	12 536
Per Diems	44 756	46 099	8 472	100	8 040	16 280	13 207

ADMINISTRATION COSTS	232 889	232 911	48 935	20 000	42 370	15 327	106 279
Insurance	40 247	35 138	7 837	5 083	8 109	2 711	11 397
Legal Fees	8 000	15 415	4 930	-	-	-	10 485
Rental Expenses	88 500	87 889	17 556	12 037	14 192	4 442	39 662
Security Expenses	9 972	10 406	2 672	1 182	3 198	591	2 763
Staff Costs	49 930	68 326	12 748	-	16 369	7 155	32 054
Small Assets	-	5 217	-	-	-	-	5 217
Office Supplies	36 240	10 521	3 192	1 698	502	428	4 701

NAC - Per their line items

Line Items	Total 2009 Budget	2009 NAC Budget	Allocations
Artists fees	1 262 749	145 000	145 000
Accomodation & Subsistence	123 282	13 000	13 000
Accounting & Auditing fees	140 509	15 000	15 000
Venue hire (rehearsals)	3 150		-
Set, costumes & props	12 039	2 000	2 000
Traveling costs	167 373	18 000	18 000
Publicity	2 050		-
Other costs:			-
Communications	83 005	9 000	9 000
Show Arrangement & Coordination	226 048	25 000	25 000
Support Materials	28 248	3 000	3 000
Admin Costs	180 960	20 000	20 000
TOTALS	2 229 413	250 000	250 000