

AREPP: Theatre For Life Trust
(Registration number 642/91)
(NPO number 014-688NPO)
Financial statements
for the year ended 31 March 2011

AREPP: Theatre For Life Trust

(Registration number 642/91)

Financial Statements for the year ended 31 March 2011

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 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 year ended 31 March 2011

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The following supplementary information does not form part of the financial statements and is unaudited:

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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 2011, the income statement, statement of changes in reserves, cash flow statement, 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.

Auditors' 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 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 prior to the initial recognition in the accounting records. It was therefore impracticable for us to obtain sufficient adequate audit evidence to express an unqualified opinion on the completeness of receipts other than grants and interest.

RSM Betty & Dickson

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 2011, and its financial performance and cash flows for the year 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 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 would be able to 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.

Greenwich Grove
Station Road
RONDEBOSCH


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

21.1.11
Date

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Financial Statements for the year ended 31 March 2011

Trustees' report

The trustees submit their report for the year ended 31 March 2011.

1. Review of activities

Main business and operations

The trust is engaged in producing 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 year.

4. Non-current assets

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

5. Trustees

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

Name	Nationality	Changes
L Motsepe	South African	
B Heydenrych	South African	
J Honeyman	South African	
A Henwood	South African	
S Omar	South African	
B Smith - resigned	South African	6 December 2010
S Hellberg	South African	
N S Culayo	South African	
L Sokhulu	South African	
H Sadiki	South African	

6. Auditor's

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

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Financial Statements for the year ended 31 March 2011

Trustees' report

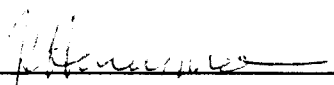
7. Statement of responsibility

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.

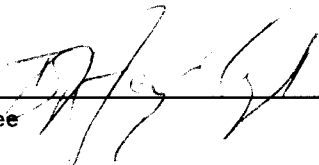
The trustees are also responsible for the trust's systems of internal control. These are designed to provide reasonable, but not absolute assurance as reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement 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

31.03.2011

Date

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Financial Statements for the year ended 31 March 2011

Balance sheet

Figures in Rand	Note(s)	31 March 2011	31 March 2010
Assets			
Non-Current Assets			
Property and equipment	2	1 606 963	1 416 954
Current Assets			
Receivables	3	303 597	938 888
Cash and cash equivalents	4	3 601 873	3 534 958
		3 905 470	4 473 846
Total Assets		5 512 433	5 890 800
Equity and Liabilities			
Equity			
Trust capital		600	600
Property and equipment fund		1 606 963	1 416 954
Operating and program funds		2 291 243	2 445 537
		3 898 806	3 863 091
Liabilities			
Current Liabilities			
Payables	5	76 387	34 482
Deferred grant income	6	1 537 240	1 993 227
		1 613 627	2 027 709
Total Equity and Liabilities		5 512 433	5 890 800

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Financial Statements for the year ended 31 March 2011

Income statement

Figures in Rand	Note(s)	Year ended 31 March 2011	13 months ended 31 March 2010
Income			
Grants	7	2 783 868	1 777 084
Other project income		181 620	127 556
Interest received		166 456	252 277
Sundry income		21 225	15 898
		3 153 169	2 172 815
Expenditure			
		3 057 837	2 504 019
Administration cost			
		205 620	263 473
Auditors' remuneration		32 385	25 078
Expensed equipment		11 310	5 217
Insurance		32 737	35 138
Legal fees		19 925	15 415
Rent, electricity and water		19 212	87 889
Security costs		19 112	10 406
Staff welfare		6 583	2 856
Staff costs		52 795	68 326
Capital goods		1 000	-
Office supplies		6 053	7 665
Subscriptions		4 508	5 483
		2 852 217	2 240 546
Production costs			
		161 968	89 368
Accommodation		78 510	46 099
Per diem		56 388	54 573
Communications		31 343	16 932
Dissemination and development		80 280	80 561
Finance		25 828	11 623
Support material		477 006	280 034
Show arrangements		111 467	84 232
Show development		2 008	3 014
Entertainment		1 936	1 292
Show maintenance		1 022 583	1 020 112
Management cost		5 932	5 065
Monitor, evaluate and report		179 678	185 444
Travel		617 290	362 197
Performers			
		95 332	(331 204)
(Deficit) surplus for the year			

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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 2009	600	1 418 139	2 860 899	4 279 638
Changes in reserves				
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
Changes in equity				
Surplus for the year	-	-	95 332	95 332
Transfer to property and equipment fund	-	249 626	(249 626)	-
Depreciation for the year	-	(59 617)	-	(59 617)
Total changes	-	190 009	(154 294)	35 715
Balance at 31 March 2011	600	1 606 963	2 291 243	3 898 806

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Cash flow statement

Figures in Rand	Note(s)	Year ended 31 March 2011	13 months ended 31 March 2010
Cash flows from operating activities			
Cash receipts from donors and schools		3 788 670	1 325 399
Cash paid to suppliers and employees		(3 638 585)	(1 476 586)
Cash generated from (used in) operations	9	150 085	(151 187)
Interest income		166 456	252 277
Net cash from operating activities		316 541	101 090
Cash flows from investing activities			
Purchase of property and equipment	2	(249 626)	(92 931)
Sale of property and equipment		-	8 772
Net cash from investing activities		(249 626)	(84 159)
Total cash movement for the year		66 915	16 931
Cash at the beginning of the year		3 534 958	3 518 027
Total cash at end of the year	4	3 601 873	3 534 958

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Financial Statements for the year ended 31 March 2011

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 2011 2010

2. Property and equipment

	2011			2010		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	165 451	(134 343)	31 108	139 403	(119 568)	19 835
Land and buildings	1 300 000	-	1 300 000	1 300 000	-	1 300 000
Leasehold improvements	83 621	-	83 621	62 627	-	62 627
Motor vehicles	681 220	(510 896)	170 324	478 855	(478 855)	-
Office equipment, furniture and tools	101 132	(79 222)	21 910	100 913	(66 421)	34 492
Sound and video equipment	67 719	(67 719)	-	67 719	(67 719)	-
Total	2 399 143	(792 180)	1 606 963	2 149 517	(732 563)	1 416 954

Reconciliation of property and equipment - 2011

	Opening Balance	Additions	Depreciation	Total
Computer equipment	19 835	26 048	(14 775)	31 108
Land and buildings	1 300 000	-	-	1 300 000
Leasehold improvements	62 627	20 994	-	83 621
Motor vehicles	-	202 365	(32 041)	170 324
Office equipment, furniture and tools	34 492	219	(12 801)	21 910
	1 416 954	249 626	(59 617)	1 606 963

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. Receivables

Deposits	272 672	897 618
Value-added Tax	5 925	16 270
Accrued grant income	25 000	25 000
	303 597	938 888

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Notes to the financial statements

Figures in Rand	2011	2010
3. Receivables (continued)		
Accrued grant income		
The expenditure has been incurred, but the amount of R25 000 is due from the National Arts Council is outstanding.		
Deposits		
Deposits comprise of payment made to the amount of R272 673 (2010: R897 618) on the acquisition of property in Cape Town. The deposit previously paid on the property was refunded during the year. The company entered into a new offer for the property and accordingly paid a new deposit. The transfer had not yet taken place on the balance sheet date.		
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	114 334	35 377
Short-term deposits	3 487 539	3 499 581
	3 601 873	3 534 958
5. Payables		
Accruals	45 095	10 314
PAYE and UIF liability	31 292	24 168
	76 387	34 482
6. Deferred grant income		
Department of Education	94 393	-
Interchurch Organisation for Development Cooperation	429 039	498 150
National Lotteries Distribution Trust Fund	1 013 808	1 495 077
	1 537 240	1 993 227
7. Grants		
Interchurch Organisation for Development Co-operation (ICCO)/Stop Aids Now		
Received	49 000	50 332
Deferred to 2010	-	288 051
Interchurch Organisation for Development Co-operation (ICCO) - 03-01-00-491/ZA042071		
Received	429 039	498 150
Deferred to 2010	-	671 250
Deferred to 2011	498 150	(498 150)
Deferred to 2012	(429 039)	-
National Arts Council		
Received	250 000	225 000
Accrued in 2010	-	25 000

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Notes to the financial statements

Figures in Rand	2011	2010
7. Grants (continued)		
National Lotteries Distribution Trust Fund		
Received	1 281 028	1 976 896
Deferred to 2011	1 495 077	(1 495 077)
Deferred to 2012	(1 013 808)	-
L.A. Radio		
Received	-	2 632
Simelela - Medecins Sans Frontieres		
Received	-	33 000
Western Cape Cultural Commission/Department of Cultural Affairs and Sport		
Received	30 000	-
Department of Education		
Received	288 814	-
Deferred to 2012	(94 393)	-
	<u>2 783 868</u>	<u>1 777 084</u>
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 generated from (used in) operations		
(Deficit) surplus for the year	95 332	(331 203)
Adjustments for:		
Interest received	(166 456)	(252 277)
Changes in working capital:		
Receivables	635 291	(595 139)
Payables	41 905	(6 494)
Deferred grant income	(455 987)	1 033 926
	<u>150 085</u>	<u>(151 187)</u>

TOTAL EXPENDITURE AND DONOR ALLOCATIONS FOR THE YEAR ENDED MARCH 2011

	APRIL 2010 - MARCH 2011 YEAR TO DATE									
	ACTUAL	ICCO	NLDT	NAC	SAN	WGCC	EC DoE	AREPP		
TOTAL INCOME	3 153 168.78	498 149.96	1 762 297.05	250 000.00	49 000.00	30 000.00	194 420.91	369 300.86		
Grant Funding Received	2 783 867.92	498 149.96	1 762 297.05	250 000.00	49 000.00	30 000.00	194 420.91	-		
School Booking Income	126 766.37	-	-	-	-	-	-	126 766.37		
Workshop Income (Vatable)	-	-	-	-	-	-	-	-		
Workshop Income (Non-Vatable)	54 854.20	-	-	-	-	-	-	54 854.20		
Interest Received	166 455.70	-	-	-	-	-	-	166 455.70		
Sundry Income	21 224.59	-	-	-	-	-	-	21 224.59		
TOTAL EXPENDITURE	3 057 836.26	498 149.96	1 848 142.68	250 000.00	48 999.68	30 089.20	194 420.91	188 033.83		
ADMINISTRATION / CO-ORDINATION COSTS	173 235.03	41 669.86	71 460.72	8 000.00	17 316.56	-	2 738.47	32 049.42		
Staff Welfare	6 582.75	3 295.80	450.00	-	1 670.82	-	450.00	716.13		
Subscriptions/Periodicals	4 508.30	4 258.30	-	-	250.00	-	-	-		
Insurance - Office Content/Buildings	32 737.40	7 760.27	18 460.31	2 895.33	2 923.05	-	898.44	-		
Legal Fees	19 925.00	-	-	-	-	-	-	19 925.00		
Property Expenses	19 212.20	4 992.27	19 044.51	3 849.94	-	-	344.03	-9 018.55		
Security Expenses	19 111.88	3 566.58	3 578.20	1 454.73	480.62	-	756.00	3 566.04		
Staff Costs	52 794.82	12 289.34	24 614.03	-	11 589.41	-	290.00	-5 480.88		
Office Supplies	6 052.75	5 507.30	5 313.67	-	422.66	-	-	1 000.00		
Capital Goods	1 000.00	-	-	-	-	-	-	1 000.00		
Small Assets - Below R5000.00	11 309.93	-	-	-	-	-	-	11 309.93		
PROJECT / PRODUCTION COSTS	2 884 601.23	456 480.10	1 776 681.96	242 000.00	31 683.12	30 089.20	191 682.44	155 984.41		
Finance Control	112 664.53	22 223.60	72 707.24	10 000.00	932.13	-	5 857.56	944.00		
Entertainment	2 008.22	1 664.82	-	-	-	-	-	343.40		
Dissemination & Development	31 342.50	1 165.00	22 820.54	-	-	-	1 675.00	5 681.96		
Communications	56 388.21	2 444.06	34 587.69	5 000.00	10 300.49	-	2 708.97	1 347.00		
Management Costs	1 022 582.84	319 495.03	539 873.54	-	-	-	52 871.62	110 342.65		
Monitoring Evaluation & Reporting	5 932.44	148.77	5 783.67	-	-	-	-	-		
Support Materials	25 827.67	-	25 827.61	-	-	-	-	-		
Performers	617 289.56	323.20	416 101.20	134 500.00	1 512.90	17 089.20	47 995.20	-232.14		
Show Arrangement & Co-ordination	477 005.85	91 510.00	277 406.68	38 000.00	17 424.78	-	23 827.12	28 837.27		
Show Development	111 466.96	203.46	70 060.65	19 500.00	-	13 000.00	7 820.00	882.85		
Show Maintenance	1 935.70	402.00	1 434.75	-	-	-	268.95	-170.00		
Travelling Costs	179 678.08	16 055.42	121 993.44	20 000.00	1 123.78	-	12 098.02	8 407.42		
Accommodation	161 968.33	704.34	125 054.95	11 379.04	-	-	25 230.00	-400.00		
Per Diems	78 510.40	140.40	63 030.00	3 620.96	389.04	-	11 330.00	-		

NAC EXPENDITURE PER NAC LINE ITEMS FOR THE YEAR ENDED MARCH 2011

NATIONAL ARTS COUNCIL (NAC)	
TOTAL EXPENDITURE 2011	250 000.00
Artists fees	154 000.00
Accommodation & Subsistence	15 000.00
Accounting & Auditing fees	10 000.00
Traveling costs	20 000.00
Other costs:	
Communications	5 000.00
Show Arrangement & Coordination	38 000.00
Admin Costs	8 000.00

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