

AREPP: Theatre For Life Trust
(Registration number 642/91)
(NPO number 014-588NPO)
Financial statements
for the year ended 31 March 2014

AREPP:Theatre For Life Trust

(Registration number 642/91)

Financial Statements for the year ended 31 March 2014

General Information

Country of domicile	South Africa
Type of trust	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.
Trustees	A Herwood B Heydenrych H Sadiki J Honeyman L Sokhulu N S Culayo S Omar S Hellberg
Business address	16 John Street Mowbray Cape Town 7705
Postal address	PO Box 13869 Mowbray Cape Town 7705
Auditors	RSM Betty & Dickson (Cape Town)
Trust number	642/91
NPO reference number	014-588NPO

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

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Independent Auditors' report

To the Trustees of AREPP:Theatre For Life Trust

We have audited the annual financial statements of AREPP:Theatre For Life Trust, as set out on pages 7 to 15, which comprise the Balance sheet as at 31 March 2014, and the Income statement, Statement of changes in reserves and Cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in note 1 to the annual financial statements, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of AREPP: Theatre For Life Trust as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies as set out in note 1 to the annual financial statements.

Emphasis of matter

Grant income

Without qualifying our opinion, we draw attention to note 1.4 of the Accounting policies, "Grant income", which explains the recognition of income received from funders. All grant income has been agreed to signed grant agreements with the funders, to confirm the completeness of the funds received. Grant income is recognised in the Income statement to the extent that it has been spent, with the balance not spent recorded in deferred income. Unsolicited donations are recognised when the amounts received reflect in the trust's bank account.

Going Concern

Without 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 a 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 page 16 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.

RSM Betty & Dickson (C.T.)

RSM Betty & Dickson (Cape Town)
Registered Auditors

Per Andrew Galloway CA(SA) RA
Partner

26 MAY 2014

Date

Cape Town

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Financial Statements for the year ended 31 March 2014

Trustees' report

The trustees submit their report for the year ended 31 March 2014.

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
A Henwood	South African
E Heydenrych	South African
H Sadiki	South African
J Honeyman	South African
L Sokhulu	South African
N S Culayo	South African
S Omar	South African
S Hellberg	South African

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Trustees' report

6. Statement of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of the annual financial statements. The annual financial statements have been prepared in accordance with accounting policies set out in note 1 to the annual 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 annual 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 annual 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 annual financial statements set out on pages 5 to 15 and supplementary schedule on page 16, were approved by the trustees and signed on their behalf by:


Trustee


Trustee

26 May 2014
Date

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Financial Statements for the year ended 31 March 2014

Balance sheet

Figures in Rand	Notes	2014	2013
Assets			
Non-Current Assets			
Property and equipment	2	1 093 956	2 486 383
Current Assets			
Receivables	3	362 146	106 515
Cash and cash equivalents	4	2 588 286	1 680 813
		2 950 432	1 787 328
Total Assets		4 044 388	4 273 711
Reserves and Liabilities			
Reserves			
Trust capital		600	600
Property and equipment fund		1 093 956	2 486 383
Operating and program funds		2 593 132	1 320 502
		3 687 688	3 807 485
Liabilities			
Current Liabilities			
Payables	5	41 149	54 565
Deferred grant income	6	315 551	411 661
		356 700	466 226
Total Reserves and Liabilities		4 044 388	4 273 711

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Financial Statements for the year ended 31 March 2014

Income statement

Figures in Rand	Note	2014	2013
Income			
Grants	7	2 452 169	2 226 746
Other project income		24 447	60 888
Interest received		41 972	50 337
Profit on disposal of asset		51 708	48 246
Sundry income		49 508	12 053
		2 619 804	2 398 270
Expenditure		2 637 174	2 498 512
Administration costs		293 750	230 280
Capital goods		-	8 375
Small assets - Below R5000		8 091	4 838
Impairment of assets		-	6 920
Insurance		25 277	24 114
Legal fees		2 150	34 449
Office supplies		17 579	8 605
Property and utilities		180 432	57 434
Security costs		10 201	8 829
Staff welfare		3 108	5 022
Staff costs		41 995	68 049
Subscriptions		2 747	3 645
Prior period adjustment		2 170	-
Production costs		2 343 424	2 268 232
Accommodation		148 374	137 565
Communications		39 651	41 264
Dissemination and development		15 630	16 160
Entertainment		-	1 056
Finance		134 919	120 407
Monitor, evaluate and report		202	227
Per diems		62 515	28 010
Performers		403 898	458 236
Show development		87 186	58 056
Show maintenance		1 603	613
Show production		1 284 555	1 326 813
Travel		164 891	79 825
Deficit for the year		(17 370)	(100 242)

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Statement of changes in reserves

	Trust capital	Property and equipment fund	Operating and program funds	Total Reserves
Figures in Rand				
Balance at 01 April 2012	600	2 565 174	1 447 914	4 013 688
Changes in reserves				
Surplus for the year	-	-	(100 242)	(100 242)
Transfer to property and equipment fund	-	27 170	(27 170)	-
Depreciation for the year	-	(105 961)	-	(105 961)
Total changes	-	(78 791)	(127 412)	(206 203)
Balance at 31 March 2012	600	2 486 383	1 320 502	3 807 485
Changes in equity				
Surplus for the year	-	-	(17 370)	(17 370)
Transfer from property and equipment fund	-	(1 290 000)	1 290 000	-
Depreciation for the year	-	(102 427)	-	(102 427)
Total changes	-	(1 392 427)	1 272 630	(119 797)
Balance at 31 March 2014	600	1 093 956	2 593 132	3 687 688

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Cash flow statement

Figures in Rand	Notes	2014	2013
Cash flows from operating activities			
Cash receipts		2 270 489	2 907 464
Cash paid to suppliers and employees		(2 766 632)	(2 072 377)
Cash (used in) generated from operations	9	(476 217)	835 087
Interest income		41 972	50 337
Net cash from operating activities		(434 245)	885 424
Cash flows from investing activities			
Purchase of property and equipment	2	(9 990)	(27 170)
Sale of property and equipment	2	1 351 708	48 246
Net cash from investing activities		1 341 718	21 076
Total cash movement for the year		907 473	906 500
Cash at the beginning of the year		1 680 813	774 313
Total cash at end of the year	4	2 588 286	1 680 813

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Financial Statements for the year ended 31 March 2014

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 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.

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 Grant income

Income from grants is recognised in the financial period to 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.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.5 Other project income

Project income is measured at the fair value of the consideration received or receivable and represents the amounts receivable for productions and shows held at schools.

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Notes to the financial statements

Figures in Rand 2014 2013

2. Property and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	209 725	(190 759)	18 966	199 726	(172 529)	27 197
Land and buildings	931 104	-	931 104	2 231 104	-	2 231 104
Motor vehicles	394 277	(256 772)	137 505	394 277	(177 917)	216 360
Office equipment, furniture and tools	102 384	(96 003)	6 381	102 384	(90 662)	11 722
Sound and video equipment	67 719	(67 719)	-	67 719	(67 719)	-
Total	1 705 209	(611 253)	1 093 956	2 995 210	(508 827)	2 486 383

Reconciliation of property and equipment - 2014

	Opening Balance	Additions	Disposals	Depreciation	Total
Computer equipment	27 197	9 990	-	(18 221)	18 966
Land and buildings	2 231 104	-	(1 300 000)	-	931 104
Motor vehicles	216 360	-	-	(78 855)	137 505
Office equipment, furniture and tools	11 722	-	-	(5 341)	6 381
	2 486 383	9 990	(1 300 000)	(102 417)	1 093 956

Details of properties

Johannesburg

Land and buildings comprised Erf. 1853 Johannesburg situated in Sydenham Township, measuring 854 square meters, with improvements thereto - at trustees' valuation. The property was sold during the year.

- Purchase price: 19 April 1999	-	222 000
- Trustees' valuation	-	893 416
- Additions since purchase or valuation	-	186 584
	<u>-</u>	<u>1 302 000</u>

Cape Town

Buildings comprise structures erected on Erf. 28743 Cape Town situated in Mowbray, measuring 145 square meters, with improvements thereto.

- Purchase price: 3 June 2011	847 483	847 483
- Capitalised expenditure	83 621	83 621
	<u>931 104</u>	<u>931 104</u>

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Figures in Rand	2014	2013
3. Receivables		
Other receivables	931	1 053
Deposits	600	-
Value-added Tax	7 672	4 389
Accrued grant income	352 943	101 073
	362 146	106 515
Accrued grant income		
The expenditure has been incurred in the current year, but an amount of R352 943 is due from The United Nations Children's Fund (UNICEF).		
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	524	524
Bank balances	43 595	106 227
Short-term deposits	2 544 167	1 574 062
	2 588 286	1 680 813
5. Payables		
Accruals	2 334	22 941
Credit card	21 548	-
PAYE and UIF liability	17 287	31 624
	41 149	54 565
6. Deferred grant income		
National Lotteries Distribution Trust Fund	315 551	411 661
7. Grants		
The United Nations Children's Fund (UNICEF)		
Received	1 138 929	-
Accrued in 2013	(101 073)	101 073
Accrued in 2014	352 944	-
National Arts Council		
Received	-	125 000
Accrued in 2012	-	(125 000)
National Lotteries Distribution Trust Fund		
Received	905 260	2 211 909
Accrued in 2012	-	(575 901)
Deferred to 2013	-	(411 661)
Accrued in 2013	411 661	-
Deferred to 2014	(315 552)	-

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Notes to the financial statements

Figures in Rand	2014	2013
7. Grants (continued)		
STARS Foundation		
Received	-	813 326
Western Cape Cultural Commission/Department of Cultural Affairs and Sport		
Received	60 000	88 000
	<u>2 452 169</u>	<u>2 226 746</u>
8. Taxation		
No provision has been made for income tax as the trust has been granted tax exemption in terms of section 10(1)(cN) as read with section 30 of the Income Tax Act.		
9. Cash (used in) generated from operations		
(Deficit) surplus for the year	(17 370)	(100 242)
Adjustments for:		
Interest received	(41 972)	(50 337)
Profit on disposal of asset	(51 708)	(48 246)
Changes in working capital:		
Receivables	(255 641)	606 036
Payables	(13 416)	16 215
Deferred grant income	(96 110)	411 661
	<u>(476 217)</u>	<u>835 087</u>

TOTAL EXPENDITURE AND DONOR ALLOCATIONS FOR THE YEAR ENDED MARCH 2014

	APRIL 2013 - MARCH 2014				
	ACTUAL	NL/JTF	WSD/CAS	UNICEF	AREPP
TOTAL INCOME	2 619 804.85	1 001 369.93	60 000.00	1 390 795.22	167 655.40
Grant Funding Received	2 452 185.15	1 001 369.93	60 000.00	1 390 795.22	167 655.40
School Booking Income	24 447.37	-	-	-	-
Workshop Income (Variable)	-	-	-	-	24 447.37
Workshop Income (Non-Variable)	-	-	-	-	-
Interest Received	41 972.40	-	-	-	-
Sundry Income/Profit on sale of NCA	101 215.83	-	-	-	41 972.40
TOTAL EXPENDITURE	2 637 173.61	1 001 494.06	60 000.00	1 390 808.88	164 878.87
ADMINISTRATION / CO-ORDINATION COSTS	299 749.80	47 582.83	565.10	77 274.43	973 343.44
Small Assets - Below R5000.00	8 050.60	-	-	-	8 090.60
Insurance - Office Content/Buildings	25 276.87	7 100.75	-	18 176.12	-
Legal Fees	2 160.00	-	-	-	2 160.00
Office Supplies	17 579.14	7 149.44	69.20	10 360.50	-
Property Expenses	180 432.07	14 395.09	489.90	41 063.85	124 473.32
Security Expenses	10 200.64	2 526.68	-	7 673.96	-
Staff Welfare	3 187.55	-1 039.24	-	-	-
Staff Costs	41 996.16	12 430.00	-	-	4 148.79
Subscriptions/Periodicals	2 747.25	-	-	-	29 585.15
Prior/Current Year Adjustments	2 170.33	-	-	-	2 747.25
PROJECT / PRODUCTION COSTS	2 346 224.01	958 924.83	59 434.90	1 313 534.45	11 835.43
Accommodation	148 373.50	29 530.00	556.00	118 287.50	-
Communications	39 650.73	12 770.00	2 197.16	20 039.83	4 643.74
Dissemination & Development	15 630.00	19 589.00	-	-	41.00
Finance Control	134 918.19	51 622.89	5 973.77	70 471.84	6 850.69
Monitoring Evaluation & Reporting	201.75	-	-	201.75	-
Per Diems	62 515.48	22 880.48	4 320.00	35 315.00	-
Performers	403 888.13	181 727.60	32 865.40	189 305.13	-
Show Development	87 186.08	27 270.24	1 527.48	58 388.66	-
Show Maintenance	1 602.97	162.12	79.39	1 361.48	-
Show Production Costs	1 284 554.90	540 676.17	7 786.39	736 093.34	-
Travelling Costs	184 891.28	76 702.93	4 125.61	84 061.74	-

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