



Grant Thornton

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Ikamva Lisezandleni Zethu (Non-Profit Organisation)
Annual financial statements
for the year ended 30 November 2015

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To enable disadvantaged youth to pull themselves and each other out of poverty and into tertiary education and/or employment
Directors	J Olivier (Executive) V Bewtra S Kameni S Kumalo L Meinert L Moodley D Trollip
Business address	46 Plein Street Cape Town 8001
Bankers	First National Bank
Auditors	Grant Thornton Cape Inc. Chartered accountants Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Limited
Company registration number	032-082 NPO
Level of assurance	These annual financial statements have been audited in compliance with the stated accounting policies.
Preparer	The annual financial statements were internally compiled by: Yasmin Bucknor (FM)
Published	15 June 2016

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

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Independent Auditor's Report To the directors of Ikamva Lisezandleni Zethu (Non-Profit Organisation)

We have audited the financial statements of Ikamva Lisezandleni Zethu (Non-Profit Organisation) set out on pages 7 to 14, which comprise the statement of financial position as at 30 November 2015, 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 company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with basis of accounting described in note 1 of the accounting policies and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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 audit opinion.

Directors
M.H. Abbas
K.M. Bowman
S. F. Cillie
D. Forbes
M. Fourie
J.G. Glass
M. Hanekom (PE)
I. Hashim
D. Honeyball (PE)
B. Jackson
H.C. Kilian (PE)
B.J. Lodewyk
F. Mohamed
J. M. Nield
F. Rhoda
H.J. Salmon
I.M. Scott (Managing)
N. I. Strybis
B. van der Wall
Y. Weaver-Sasman
M.S. Willmott (PE)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ikamva Lisezandleni Zethu (Non-Profit Organisation) as at 30 November 2015, and its financial performance and cash flows for the year then ended in accordance with basis of accounting described in note 1 of the accounting policies.

Supplementary information

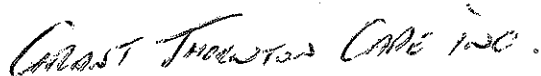
We draw your attention to the fact that the supplementary information set out on pages 15 to 16 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports

As part of our audit of the financial statements for the year ended 30 November 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Basis of accounting and restriction on distribution and use

I draw your attention to note 1 of the accounting policies, which describes the basis of accounting. The financial statements are prepared to assist the management committee in providing financial statements to its members and donors. As a result, the financial statements may not be suitable for another purpose.

**GRANT THORNTON CAPE INC.**

Registered Auditors
Chartered Accountants (S.A.)

Per: B.J Lodewyk

Director
Registered Auditor
Chartered Accountant (S.A.)

15 June 2016

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Directors' Responsibilities and Approval

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis of accounting as set out in note 1 of the accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in note 1 of the accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

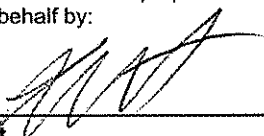
The directors have reviewed the organisation's cash flow forecast for the year to 30 November 2016 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3 to 4.

The annual financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the directors on 15 June 2016 and were signed on its behalf by:



J Olivier (Executive)



L Meinert

Cape Town

15 June 2016

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Directors' Report

The directors submit their report for the year ended 30 November 2015.

1. Review of activities

Main business and operations

The company is engaged to enable disadvantaged youth to pull themselves and each other out of poverty and into tertiary education and/or employment and operates in South Africa.

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

2. Going concern

The annual 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.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that would have a material effect on the financial statements for the year ended 30 November 2015.

4. Directors' interest in contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Changes
J Olivier (Executive)	
L Meinert	
D Trollip	
S Kumalo	
V Bewtra	
T Ramogase	Resigned 29 September 2015
T Bixa	Resigned 08 June 2015
L Moodley	Appointed 29 September 2015
S Kameni	Appointed 29 September 2015

6. Auditors

Grant Thornton Cape Inc.

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Statement of Financial Position

Figures in Rand	Notes	2015	2014
Assets			
Non-Current Assets			
Property and equipment	2	343 359	-
Current Assets			
Grant and other receivables	3	2 182 905	1 752 629
Cash and cash equivalents	4	7 032 764	2 262 858
		9 215 669	4 015 487
Total Assets		9 559 028	4 015 487
Equity and Liabilities			
Equity			
Retained income		4 708 093	2 713 500
Liabilities			
Current Liabilities			
Grant and other payables	5	6 590	27 860
Deferred income	6	4 685 639	1 274 127
Provision for leave pay	7	158 706	-
		4 850 935	1 301 987
Total Equity and Liabilities		9 559 028	4 015 487

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Statement of Comprehensive Income

Figures in Rand	Notes	2015	2014
Revenue	8	14 082 613	11 030 508
Other income		45 452	157 834
Operating expenses		(12 323 575)	(10 776 878)
Operating profit	9	1 804 490	411 464
Investment revenue	10	190 103	125 125
Profit for the year		1 994 593	536 589
Other comprehensive income		-	-
Total comprehensive income for the year		1 994 593	536 589

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 December 2013	2 176 911	2 176 911
Changes in equity		
Total comprehensive income for the year	536 589	536 589
Total changes	536 589	536 589
Balance at 01 December 2014	2 713 500	2 713 500
Changes in equity		
Total comprehensive income for the year	1 994 593	1 994 593
Total changes	1 994 593	1 994 593
Balance at 30 November 2015	4 708 093	4 708 093

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Statement Of Cash Flows

Figures in Rand	Notes	2015	2014
Cash flows from operating activities			
Cash generated from operations	11	4 923 162	82 354
Interest income		190 103	125 125
Net cash from operating activities		5 113 265	207 479
Cash flows from investing activities			
Purchase of property and equipment	2	(343 359)	-
Total cash movement for the year		4 769 906	207 479
Cash at the beginning of the year		2 262 858	2 055 379
Total cash at end of the year	4	7 032 764	2 262 858

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the basis of accounting as set out in note 1 of the accounting policies. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

Ikamva Lisezandleni Zethu is a voluntary association operating as a non-profit organisation.

1.1 Property and equipment

Property and equipment are tangible items that:

- are held for administrative purposes; and
- are expected to be used during more than one period.

Property

The organisation acquired a property in Salt River Cape Town. During the 2015 financial year the property was not registered at the deeds office, as such the property was capitalised during the 2016 financial year.

Equipment

Items of equipment consist of teaching aids in the form of computer equipment (including computer labs), furniture, fixtures and office equipment. These items are depreciated over its estimated useful lives, all items acquired which are below R10,000 are expensed to the income statement in the year incurred.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to replace or improve the property and equipment. 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.

This includes cost incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and equipment is carried at cost less accumulated depreciation and any impairment losses.

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
Land	Indefinite
Buildings	50 years
Computer labs	10 years
Furniture and fixtures	6 years
Office equipment	3 years
Computer equipment	3 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Taxation

Tax exemption

The association was approved as a public benefit organisation in terms of section 30 of the Income Tax Act (the Act), and the receipts and accruals are exempt from income taxes in terms of section 10(1)(cN) of the Act.

The public benefit organisation was approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act.

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Accounting Policies

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable in the ordinary course of the organisation's activities.

The organisation recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for the organisation's activities, as described below.

Grant and donations

Grants are recognised in accordance with the provisions of the underlying agreements, and where more appropriate, in the year the expenditure in respect of which the grant was received was incurred.

Donations are recognised as income when received.

Interest income

Interest is recognised, in profit or loss, using the effective interest rate method.

1.5 Grant and other receivables

Grant and other receivables are recognised initially at the transaction value. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of other receivables are established when there are objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivable.

1.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within the borrowings in current liabilities on the statement of financial position.

1.7 Grant and other payables

Grant and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Notes to the Annual Financial Statements

Figures in Rand

2015

2014

2. Property and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Office - Container	84 309	-	84 309	-	-	-
Computer Lab	259 050	-	259 050	-	-	-
Total	343 359	-	343 359	-	-	-

Reconciliation of property and equipment - 2015

	Opening balance	Additions	Total
Office - Container	-	84 309	84 309
Computer Lab	-	259 050	259 050
	-	343 359	343 359

3. Grant and other receivables

Grant receivables	1 093 996	1 695 968
Deposits	1 041 541	-
Sundry receivables	47 368	56 661
	2 182 905	1 752 629

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	6 941 119	2 221 615
Cash on hand	3 233	6 206
Credit cards	88 412	35 037
	7 032 764	2 262 858

5. Grant and other payables

Accrued audit fees	(1)	-
Sundry payables	6 591	27 860
	6 590	27 860

6. Deferred income

Stars Foundation - unspent funds	-	1 050 627
Bertha Foundation - unspent funds	-	223 500
General deferred income	4 685 639	-
	4 685 639	1 274 127

The nature and extent of grants recognised in the financial statements is an indication of the donors grants from which the entity has directly benefited.

Unfulfilled conditions and other contingencies attaching to donor assistance that has been recognised is noted above as income deferred during the period.

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Notes to the Annual Financial Statements

Figures in Rand	2015	2014	
7. Provision for leave pay			
Reconciliation of provision for leave pay - 2015			
	Opening balance	Additions	Total
Provision for leave pay	-	158 706	158 706
Reconciliation of provision for leave pay - 2014			
8. Revenue			
Grant revenue	14 082 613	11 030 508	
9. Operating profit			
Operating profit for the year is stated after accounting for the following:			
Operating lease charges			
Premises			
• Contractual amounts	404 730	356 412	
Equipment			
• Contractual amounts	-	1 539	
	404 730	357 951	
Employee costs	6 538 672	5 961 315	
10. Investment revenue			
Interest revenue			
Bank	190 103	125 125	
11. Cash generated from operations			
Profit before taxation	1 994 593	536 589	
Adjustments for:			
Interest received	(190 103)	(125 125)	
Movements in provisions	158 706	-	
Changes in working capital:			
Grant and other receivables	(430 276)	(943 279)	
Grant and other payables	(21 270)	(172 458)	
Deferred income	3 411 512	786 627	
	4 923 162	82 354	

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2015	2014
Revenue			
Grant revenue		14 082 613	11 030 508
Other income			
Management fees received		-	143 086
CCP fees		23 680	-
ETI received		21 772	14 748
Interest received	10	190 103	125 125
		235 555	282 959
Expenses (Refer to page 16)		(12 323 575)	(10 776 878)
Profit for the year		1 994 593	536 589

Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2015

Detailed Statement of Comprehensive Income

Figures in Rand	Notes	2015	2014
Operating expenses			
Advertising and annual reports		137 802	58 794
Application and registration fees		78 898	63 962
Auditors' remuneration		56 539	23 850
Bad debts		12 871	-
Bank charges		52 764	40 861
Catering		63 572	113 867
Computer expenses		125 023	57 720
Consulting and professional fees		33 637	-
Course material		116 602	156 589
Employee costs		6 538 672	5 961 315
Fundraising cost		394 720	99 596
General expenses		65 527	37 409
Gifts		3 800	11 851
Insurance		73 437	72 316
Learner excursions		52 421	89 805
Lease rentals on operating lease		404 730	357 951
Legal expenses		-	6 500
Postage		11 336	9 692
Printing and stationery		147 267	131 622
Prizegiving		29 698	16 862
Repairs and maintenance		195 143	122 726
Security		214 110	201 134
Special project - community project		179 035	-
Staff Accomodation		41 905	-
Staff training and strategic planning		595 991	405 437
Teaching aids		341 129	338 575
Telephone		361 726	360 490
Travel expenses		1 045 447	939 828
Volunteer appreciation		32 352	37 029
Winter school		917 421	1 061 097
		12 323 575	10 776 878