

IKAMVA LISEZANDLENI ZETHU

Registration Number: 032-082 NPO

**ANNUAL FINANCIAL STATEMENTS
30 NOVEMBER 2008**

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APPROVAL AND STATEMENT OF RESPONSIBILITY

The board of directors of the management committee of the association is 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 financial statements. The financial statements have been prepared in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa.

The directors are also responsible for the association's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. Nothing has come to the attention of the management committee 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 directors have every reason to believe that the association has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 3 to 10 are the responsibility of the board of directors of the management committee and have been approved for issue by them 15 July 2010 and are signed by:


JOLIVIER

IKAMVA LISEZANDLENI ZETHU

INDEPENDENT AUDITOR'S REPORT

To the Members of Ikamva Lisezandleni Zethu

We have audited the annual financial statements of *Ikamva Lisezandleni Zethu*, which comprise the balance sheet as at 30 November 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 3 to 9.

Directors' Responsibility for the Financial Statements

The association's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. 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 conducting our audit in accordance with International Standards on Auditing. Because of the matter discussed in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

A substantial part of the association's revenue and expenditure comprise cash transactions. There was no system of control over such transactions on which we could rely for the purpose of our audit, and there were no satisfactory auditing procedures that we could perform to obtain reasonable assurance that all cash transactions were properly recorded.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

JC vd Westhuizen

JC van der Westhuizen & Associates

Registered Accountant and Auditor

Chartered Accountant (SA)

Suite 205 Foyer 3

The Colosseum

Century Boulevard

Century City

15 July 2010

IKAMVA LISEZANDLENI ZETHU

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2008

The directors have pleasure in submitting their report together with the annual financial statements for the year ended 30 November 2008.

GENERAL REVIEW

Ikamva Lisezandleni Zethu is a voluntary association. The principal activity of the association is to broaden post-school opportunities of disadvantaged youth.

FINANCIAL RESULTS

The results of the association for the year under review are fully set out in the attached financial statements and require no further comment.

POST BALANCE SHEET EVENTS

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

DIRECTORS

The board of directors of the management committee of the association at the date of this report are:

L E Kota
J Olivier

AUDITOR

JC van der Westhuizen & Associates.

IKAMVA LISEZANDLENI ZETHU

**BALANCE SHEET
30 NOVEMBER 2008**

	<u>Notes</u>	<u>2008</u> R	<u>2007</u> R
ASSETS			
Current assets			
Trade and other receivables	3	-	155
Bank balances and cash on hand	4	200 075	181 030
Total assets		<u>200 075</u>	<u>181 185</u>
EQUITY AND LIABILITIES			
Reserves			
Retained income		198 321	173 033
Current liabilities			
Trade and other payables	5	1 754	8 152
Total equity and liabilities		<u>200 075</u>	<u>181 185</u>

IKAMVA LISEZANDLENI ZETHU

**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2008**

	<u>Notes</u>	<u>2008</u> R	<u>2007</u> R
Revenue			
Donations received		572 476	236 814
Sundry revenue		23 762	-
Income for the year	2	596 238	236 814
Expenditure			
Administration expenses and disbursements		(576 281)	(132 988)
Net operating profit/(loss) from operations		19 957	103 826
Interest received		5 331	4 930
Net operating profit/(loss) for the year before taxation	6	25 288	108 756
Taxation	7	-	-
Net operating profit/(loss) for the year		25 288	108 756
Retained profit at the beginning of the year		173 033	64 277
Retained profit at the end of the year		198 321	173 033

IKAMVA LISEZANDLENI ZETHU

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2008**

	<u>Notes</u>	<u>2008</u> R	<u>2007</u> R
Cash flows from operating activities			
Cash derived from donations and sundry revenue		596 393	236 759
Cash paid to suppliers		(582 679)	(121 877)
		<hr/>	<hr/>
Cash generated/(utilised) in operations	8	13 714	114 882
Interest received		5 331	4 930
		<hr/>	<hr/>
<i>Net cash inflow/(outflow) from operating activities</i>		19 045	119 812
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		19 045	119 812
Cash and cash equivalents at beginning of the year		181 030	61 218
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	4	200 075	181 030
		<hr/> <hr/>	<hr/> <hr/>

IKAMVA LISEZANDLENI ZETHU

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
30 NOVEMBER 2008**

1. GENERAL INFORMATION

Ikamva Lisezandleni Zethu is a voluntary association. The principal activity of the association is to broaden post-school opportunities of disadvantaged youth.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities as approved by the Accounting Practices Board.

Financial instruments

Financial instruments as stated on the balance sheet include cash and bank balances, investments, receivables, trade creditors and borrowings. These instruments are generally stated at their estimated fair values.

Revenue

Revenue comprises donations received and revenue from the provision of educational facilities and is recorded in the financial statements at the date of receipt.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the association.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

Comparative figures

Where necessary, comparative figures have been adjusted to conform to any changes in presentation in the current year

IKAMVA LISEZANDLENI ZETHU

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
30 NOVEMBER 2008**

	<u>2008</u> R	<u>2007</u> R
3. TRADE AND OTHER RECEIVABLES		
Trade receivables	-	155
4. BANK BALANCES AND CASH ON HAND		
Short term deposit account	40 260	94 930
Current account balances	159 815	86 100
	<u>200 075</u>	<u>181 030</u>
5. TRADE AND OTHER PAYABLES		
Other payables	1 754	8 152
6. NET PROFIT/(LOSS) BEFORE TAXATION		
Net profit/(loss) before taxation is derived after taking the following items into account:		
Income		
Revenue from:		
Donations received	572 476	236 814
Expenses		
Audit fees	3 990	1 710
Salaries, bursaries and disbursements	296 956	73 482
7. TAXATION		
South African current normal taxation	-	-

No taxation has been provided for as the association is exempt from tax in terms of section 10(1) of the Income Tax Act.

IKAMVA LISEZANDLENI ZETHU

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
30 NOVEMBER 2008

	<u>2008</u>	<u>2007</u>
	R	R
8. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of net profit/(loss) before taxation to cash utilised in operations		
Net profit/(loss) before taxation	25 288	108 756
Adjusted for:		
Interest received	(5 331)	(4 930)
Operating profit/(loss) before working capital changes	19 957	103 826
Working capital changes:		
Increase/(decrease) in trade and other receivables	155	(55)
Increase/(decrease) in trade and other payables	(6 398)	11 111
Cash generated/(utilised) in operations	<u>13 714</u>	<u>114 882</u>

IKAMVA LISEZANDLENI ZETHU

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2008**

	<u>2008</u>	<u>2007</u>
	R	R
Donations received	572 476	236 814
Sundry revenue	23 762	-
Income	596 238	236 814
Expenses	576 281	132 988
Audit fees	3 990	1 710
Bank charges	6 553	2 043
Bookkeeping charges	3 962	-
Catering	68 895	17 648
Computer expenses	25 033	3 752
Insurance	5 020	4 667
Postage and courier	856	-
Printing and stationery	15 757	4 732
Repairs and maintenance	46 268	-
Salaries, bursaries and disbursements	296 956	73 482
Subscriptions	22 898	-
Telephone	18 490	1 931
Transport and travel expenses	61 603	23 023
Operating profit/(loss) for the year	19 957	103 826
Interest received	5 331	4 930
Net profit/(loss) for the year	25 288	108 756

**IKAMVA LISEZANDLENI ZETHU
ANNUAL FINANCIAL STATEMENTS**

30 NOVEMBER 2008