

**Grant Thornton**

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**Ikamva Lisezandleni Zethu (Non-Profit Organisation)**  
Annual financial statements  
for the year ended 30 November 2014

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To broaden post-school opportunities for disadvantaged youth
<b>Directors</b>	J Olivier (Executive) T Bixa L Meinert D Trollip S Kumalo V Bewtra T Ramogase
<b>Business address</b>	46 Plein Street Cape Town 8001
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Grant Thornton Cape Chartered Accountants (S.A.) Registered Auditors Grant Thornton South Africa is a member firm of Grant Thornton International Limited
<b>Company registration number</b>	032-082 NPO
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the stated accounting policies.
<b>Preparer</b>	The annual financial statements were internally compiled by: Yasmin Bucknor (FM)
<b>Published</b>	02 June 2015

# **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

## **Index**

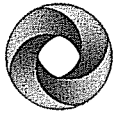
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The reports and statements set out below comprise the annual financial statements presented to the directors:

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

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# Grant Thornton

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Chartered Accountants (SA)

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## Independent Auditor's Report

To the members of Ikamva Lisezandleni Zethu (Non-Profit Organisation)

### Report on the financial statements

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 2014, the statement of comprehensive income, the statement of changes in equity and the 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 the 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 annual 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 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 audit 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 annual financial statements.

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

#### Partners

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

#### Audit • Tax • Advisory

Grant Thornton Cape is a member firm of Grant Thornton South Africa which in turn a member firm of Grant Thornton International Ltd.

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organisation at 30 November 2014, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as set out 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 required by the Companies Act**

As part of our audit of the financial statements for the year ended 30 November 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

## **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**  
Registered Auditors  
Chartered Accountants (S.A.)

**Per: B.J Lodewyk**  
Partner  
Registered Auditor  
Chartered Accountant (S.A.)

02 June 2015  
Cape Town

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Directors' Responsibilities and Approval**

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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.

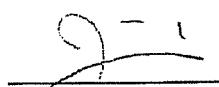
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards 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 2015 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 organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 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 02 June 2015 and were signed on its behalf by:

  
\_\_\_\_\_  
J Olivier (Executive)

  
\_\_\_\_\_  
L Meinert

Cape Town  
02 June 2015

# **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

## **Directors' Report**

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The directors submit their report for the year ended 30 November 2014.

### **1. Review of activities**

#### **Main business and operations**

The organisation is engaged to broaden post-school opportunities for disadvantaged youth 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 2014.

### **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:

<b>Name</b>	<b>Changes</b>
J Olivier (Executive)	
S Golonton	Resigned 19 March 2014
T Bixa	
L Meinert	
D Trollip	
S Kumalo	
V Bewtra	Appointed 31 March 2014
T Ramogase	Appointed 23 February 2015

### **6. Auditors**

Grant Thornton Cape will continue in office for the next financial period.

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Statement of Financial Position**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	1 752 629	809 350
Cash and cash equivalents	3	2 262 858	2 055 379
		<b>4 015 487</b>	<b>2 864 729</b>
<b>Total Assets</b>		<b>4 015 487</b>	<b>2 864 729</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		2 713 500	2 176 911
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	27 860	200 318
Deferred income	5	1 274 127	487 500
		<b>1 301 987</b>	<b>687 818</b>
<b>Total Equity and Liabilities</b>		<b>4 015 487</b>	<b>2 864 729</b>



## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
Revenue	6	11 030 508	8 262 636
Other income		157 834	-
Operating expenses		(10 776 878)	(7 147 479)
<b>Operating profit</b>	7	<b>411 464</b>	<b>1 115 157</b>
Investment revenue	8	125 125	71 375
<b>Profit for the year</b>		<b>536 589</b>	<b>1 186 532</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>536 589</b>	<b>1 186 532</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		536 589	1 186 532

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Retained income</b>	<b>Total equity</b>
<b>Balance at 01 December 2012</b>	<b>990 379</b>	<b>990 379</b>
Changes in equity		
Total comprehensive income for the year	1 186 532	1 186 532
Total changes	1 186 532	1 186 532
<b>Balance at 01 December 2013</b>	<b>2 176 911</b>	<b>2 176 911</b>
Changes in equity		
Total comprehensive income for the year	536 589	536 589
Total changes	536 589	536 589
<b>Balance at 30 November 2014</b>	<b>2 713 500</b>	<b>2 713 500</b>

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Statement Of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	82 354	956 183
Interest income		125 125	71 375
<b>Net cash from operating activities</b>		<b>207 479</b>	<b>1 027 558</b>
<b>Total cash movement for the year</b>		<b>207 479</b>	<b>1 027 558</b>
Cash at the beginning of the year		2 055 379	1 027 821
<b>Total cash at end of the year</b>	3	<b>2 262 858</b>	<b>2 055 379</b>

# **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

## **Accounting Policies**

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### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value. 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 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.

#### **1.2 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.

#### **1.3 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.

#### **1.4 Equipment**

Items of equipment consist of teaching aids in the form of computer equipment, furniture, fixtures and office equipment. These items have a limited useful lives and resale values and are charged to the income statement on acquisition.

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Accounting Policies**

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#### **1.5 Trade and other receivables**

Trade 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 Trade and other payables**

Trade 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 2014

### **Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2014</b>	<b>2013</b>
<b>2. Trade and other receivables</b>		
Grants receivable	1 695 968	772 732
Sundry receivable	56 661	36 618
	<b>1 752 629</b>	<b>809 350</b>
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	2 221 615	1 998 131
Cash on hand	6 206	3 038
Credit cards	35 037	54 210
	<b>2 262 858</b>	<b>2 055 379</b>
<b>4. Trade and other payables</b>		
Sundry payables	27 860	50 318
Grants refundable	-	150 000
	<b>27 860</b>	<b>200 318</b>
<b>5. Deferred income</b>		
Stars Foundation - unspent funds	1 050 627	-
Bertha Foundation - unspent funds	223 500	-
DG Murray Trust	-	487 500
	<b>1 274 127</b>	<b>487 500</b>
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.		
<b>6. Revenue</b>		
Grant revenue	11 030 508	8 262 635
<b>7. Operating profit</b>		
Operating profit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	345 137	118 084
Equipment		
• Contractual amounts	1 539	-
	<b>346 676</b>	<b>118 084</b>
Employee costs	5 961 315	3 950 888

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2014</b>	<b>2013</b>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	125 125	71 375
<b>9. Cash generated from operations</b>		
Profit before taxation	536 589	1 186 532
<b>Adjustments for:</b>		
Interest received	(125 125)	(71 375)
<b>Changes in working capital:</b>		
Trade and other receivables	(943 279)	(796 157)
Trade and other payables	(172 458)	149 683
Deferred income	786 627	487 500
	<b>82 354</b>	<b>956 183</b>

## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Detailed Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Grant revenue	11 030 508	8 262 635
<b>Other income</b>		
Management fees received	143 086	-
Other income	14 748	-
Interest received	8 125 125	71 375
	<b>282 959</b>	<b>71 375</b>
<b>Expenses (Refer to page 16)</b>	<b>(10 776 878)</b>	<b>(7 147 478)</b>
<b>Profit for the year</b>	<b>536 589</b>	<b>1 186 532</b>



## **Ikamva Lisezandleni Zethu (Non-Profit Organisation)**

(Registration number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2014

### **Detailed Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>2014</b>	<b>2013</b>
<b>Operating expenses</b>		
Advertising	5 213	313 877
Annual report expense	36 550	-
Application and registration fees	63 962	52 221
Auditors' remuneration	23 850	12 000
Bank charges	40 861	26 281
Catering	63 356	51 313
Computer expenses	57 720	45 420
Consulting and professional fees	-	7 382
Course materials and consumables	156 589	125 910
Employee costs	5 961 315	3 950 888
Fundraising cost	99 596	-
General expenses	37 409	19 877
Gifts	11 851	7 872
Insurance	72 316	44 775
Learner excursions	89 805	52 795
Lease rentals on operating lease	346 676	118 084
Legal expenses	6 500	-
Medical expenses	50 511	-
Office supplies	-	18 023
Postage	9 692	2 964
Printing and stationery	131 622	87 356
Prizegiving	16 862	22 444
Repairs and maintenance	122 726	17 732
Security	201 134	16 057
Staff training	154 374	23 030
Strategic planning sessions	251 063	194 217
Teaching aids	338 575	282 422
Telephone	360 490	289 141
Travel expenses	939 828	611 641
Utilities	11 275	-
Volunteer appreciation	37 029	32 051
Web development and maintenance	17 031	26 346
Winter school	1 061 097	695 359
	<b>10 776 878</b>	<b>7 147 478</b>