

IKAMVA LIZEZANDLENI ZETHU
ANNUAL FINANCIAL STATEMENTS
30 NOVEMBER 2010

IKAMVA LISEZANDLENI ZETHU

Registration Number: 032-082 NPO

ANNUAL FINANCIAL STATEMENTS 30 NOVEMBER 2010

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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.

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 directors 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 4 to 11 are the responsibility of the board of directors of the management committee and have been approved for issue by them on 19 April 2011 and are signed by:


J OLIVIER

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 2010, and the income statement 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 4 to 10.

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 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 qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the association to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded. In addition, as a result of the nature of the association's activities, a portion of the association's expenses are settled by way of cash disbursements. There was no system of control over such disbursements 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 such disbursements were properly recorded.

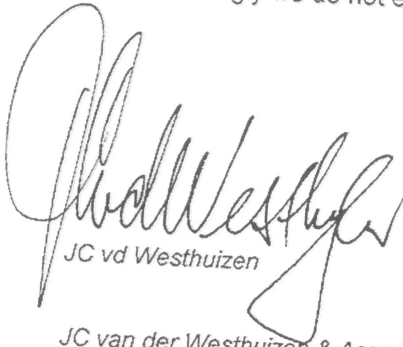
Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ikamva Lisezandleni Zethu as at 30 November 2010, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other matter

We draw attention to the fact that supplementary information set out on page 11 do not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.



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

29 April 2011

IKAMVA LISEZANDLENI ZETHU

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010

The director has pleasure in submitting her report together with the annual financial statements for the year ended 30 November 2010.

GENERAL REVIEW

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

DIRECTOR

The sole director representing the management committee of the association at the date of this report is:
J Olivier

AUDITOR

JC van der Westhuizen & Associates.

IKAMVA LISEZANDLENI ZETHU

BALANCE SHEET 30 NOVEMBER 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
ASSETS			
Current assets			
Trade and other receivables	3	370 000	-
Bank balances and cash on hand	4	130 968	390 688
Total assets		<u>500 968</u>	<u>390 688</u>
EQUITY AND LIABILITIES			
Reserves			
Retained income		497 531	390 688
Current liabilities			
Trade and other payables	5	3 437	-
Total equity and liabilities		<u>500 968</u>	<u>390 688</u>

IKAMVA LISEZANDLENI ZETHU

INCOME STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
Revenue			
Donations received and sundry revenue	2	1 160 993	875 407
Expenditure			
Administration expenses and disbursements		(1 055 912)	(685 634)
Net operating profit/(loss) from operations		<u>105 081</u>	<u>189 773</u>
Interest received		1 762	2 594
Net operating profit/(loss) for the year before taxation		<u>106 843</u>	<u>192 367</u>
Taxation	7	-	-
Net operating profit/(loss) for the year		<u>106 843</u>	<u>192 367</u>
Retained profit at the beginning of the year		390 688	198 321
Retained profit at the end of the year		<u>497 531</u>	<u>390 688</u>

IKAMVA LISEZANDLENI ZETHU

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

	<u>Notes</u>	<u>2010</u> R	<u>2009</u> R
Cash flows from operating activities			
Cash derived from donations and sundry revenue		790 993	875 407
Cash paid to suppliers		(1 052 475)	(687 388)
Cash generated/(utilised) in operations	8	(261 482)	188 019
Interest received		1 762	2 594
<i>Net cash inflow/(outflow) from operating activities</i>		(259 720)	190 613
Net increase/(decrease) in cash and cash equivalents		(259 720)	190 613
Cash and cash equivalents at beginning of the year		390 688	200 075
Cash and cash equivalents at end of the year	4	130 968	390 688

IKAMVA LISEZANDLENI ZETHU

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 30 NOVEMBER 2010

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 2010

	<u>2010</u> R	<u>2009</u> R
3. TRADE AND OTHER RECEIVABLES		
Donations receivable	370 000	-
	<u>370 000</u>	<u>-</u>
4. BANK BALANCES AND CASH ON HAND		
Short term deposit account	44 617	42 855
Current account balances	86 351	347 833
	<u>130 968</u>	<u>390 688</u>
5. TRADE AND OTHER PAYABLES		
Other payables	3 437	-
	<u>3 437</u>	<u>-</u>
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	1 127 575	875 407
Services to students	33 418	-
	<u>1 160 993</u>	<u>875 407</u>
Expenses		
Audit fees	12 540	3 500
	<u>12 540</u>	<u>3 500</u>
7. TAXATION		
South African current normal taxation	-	-
	<u>-</u>	<u>-</u>
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 2010

	<u>2010</u> R	<u>2009</u> 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	106 843	192 367
Adjusted for:		
Interest received	(1 762)	(2 594)
Operating profit/(loss) before working capital changes	<u>105 081</u>	<u>189 773</u>
Working capital changes:		
Increase/(decrease) in trade and other receivables	(370 000)	-
Increase/(decrease) in trade and other payables	3 437	(1 754)
Cash generated/(utilised) in operations	<u>(261 482)</u>	<u>188 019</u>

IKAMVA LISEZANDLENI ZETHU

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

	<u>2010</u> R	<u>2009</u> R
Income	1 160 993	875 407
Donations received and sundry revenue	1 160 993	875 407
Expenses	1 055 912	685 634
Audit fees	12 540	3 500
Bank charges	9 101	8 137
Bookkeeping charges	7 508	2 090
Catering	128 757	73 671
Computer expenses	20 710	20 301
Consumables	898	-
Insurance	14 632	10 593
Postage and courier	918	-
Printing and stationery	31 655	4 303
Repairs and maintenance	7 194	638
Rental equipment	8 225	-
Salaries, bursaries and disbursements	564 784	474 323
Subscriptions	350	-
Telephone	63 226	31 085
Training	51 576	-
Transport and travel expenses	133 838	56 993
Operating profit/(loss) for the year	105 081	189 773
Interest received	1 762	2 594
Net profit/(loss) for the year	106 843	192 367