

**IKAMVA LISEZANDLENI ZETHU**  
**ANNUAL FINANCIAL STATEMENTS**  
**30 NOVEMBER 2011**

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**Registration Number: 032-082 NPO**

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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 International Financial Reporting Standards 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 13 are the responsibility of the board of directors of the management committee and have been approved for issue by them on 19 June 2012 and are signed by:

  
.....  
J OLIVIER

**IKAMVA LISEZANDLENI ZETHU**  
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**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 2011, 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 5 to 13.

*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 the International Financial Reporting Standards for Small and Medium-sized Entities. 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. We have also not verified the physical existence of property, plant and equipment.

*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 2011, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

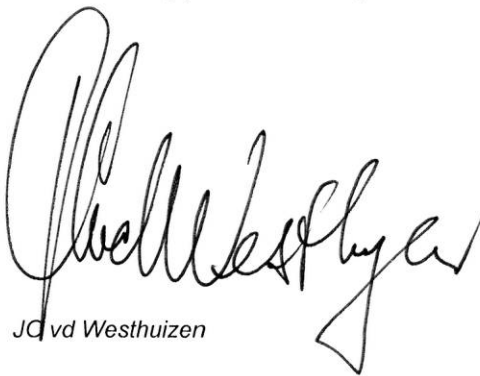
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**INDEPENDENT AUDITOR'S REPORT (Continued)**

*Other matter*

We draw attention to the fact that supplementary information set out on page 14 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 van der Westhuizen

JC van der Westhuizen & Associates

Registered Accountant and Auditor

Chartered Accountant (SA)

Suite 205 Foyer 3

The Colosseum

Century Boulevard

Century City

11 May 2012

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**DIRECTORS' REPORT**

The directors have pleasure in submitting her report together with the annual financial statements for the year ended 30 November 2011.

**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.

**DIRECTORS**

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

J Olivier  
S Godlonton  
T Bixa  
L Meinert  
C Beck  
D Trollip  
V Ncontsa

**PRINCIPAL PLACE OF BUSINESS**

210a Long Market Street  
Bo-Kaap  
Cape Town  
8001

**AUDITOR**

JC van der Westhuizen & Associates.

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**BALANCE SHEET**

	<u>Notes</u>	<u>2011</u> R	<u>2010</u> R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	147 993	-
<b>Current assets</b>		793 401	500 968
Trade and other receivables	4	2 038	370 000
Bank balances and cash on hand	5	791 363	130 968
<b>Total assets</b>		<u>941 394</u>	<u>500 968</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated surplus/(deficit)		920 537	497 531
<b>Current liabilities</b>			
Trade and other payables	6	20 857	3 437
<b>Total equity and liabilities</b>		<u>941 394</u>	<u>500 968</u>

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**INCOME STATEMENT**

	<u>Notes</u>	<u>2011</u> R	<u>2010</u> R
<b>Revenue</b>			
Donations received and sundry revenue	2	2 207 525	1 160 993
<b>Expenditure</b>			
Administration expenses and disbursements		(1 789 728)	(1 055 912)
<b>Net operating surplus/(deficit) from operations</b>		417 797	105 081
Interest received		5 209	1 762
<b>Net operating surplus/(deficit) for the year before taxation</b>	7	423 006	106 843
Taxation	8	-	-
<b>Net operating surplus/(deficit) for the year</b>		423 006	106 843
<b>Accumulated surplus/(deficit) at the beginning of the year</b>		497 531	390 688
<b>Accumulated surplus/(deficit) at the end of the year</b>		920 537	497 531

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**CASH FLOW STATEMENT**

	<u>Notes</u>	<u>2011</u> R	<u>2010</u> R
<b>Cash flows from operating activities</b>			
Cash derived from donations and sundry revenue		2 575 487	790 993
Cash paid to suppliers and beneficiaries		(1 756 487)	(1 052 475)
		<hr/>	<hr/>
Cash generated/(utilised) in operations	9	819 000	(261 482)
Interest received		5 209	1 762
		<hr/>	<hr/>
<i>Net cash inflow/(outflow) from operating activities</i>		824 209	(259 720)
		<hr/>	<hr/>
<i>Net cash inflow/(outflow) from investing activities</i>			
Purchase of property plant and equipment		(163 814)	-
		<hr/>	<hr/>
		(163 814)	-
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		660 395	(259 720)
Cash and cash equivalents at beginning of the year		130 968	390 688
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	5	791 363	130 968
		<hr/>	<hr/>



**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**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**

The basis of preparation and principal accounting policies of the company, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

*Basis of preparation*

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

*Property, plant and equipment*

Property, plant and equipment are tangible assets that:

- (a) are held for use in the supply of services or for administrative purposes, and
- (b) are expected to be used during more than one period.

Items of property plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date.

Expenditure on additions and improvements to property, plant and equipment including the cost of related interest is capitalised as the expenditure is incurred.

Subsequent to initial recognition, items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Computer equipment	33,33%
Office equipment	20.00%
Furniture and fixtures	16.67%

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

*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 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**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**3. PROPERTY, PLANT AND EQUIPMENT**

	<u>Opening balance</u> R	<u>Additions</u> R	<u>Disposals</u> R	<u>Closing balance</u> R
<u>COST</u>				
Computer equipment	-	96 453	-	96 453
Office Equipment	-	22 582	-	22 582
Furniture and fixtures	-	44 779	-	44 779
	-	163 814	-	163 814
	<u>Opening balance</u> R	<u>Depreciation</u> R	<u>Disposals</u> R	<u>Closing balance</u> R
<u>ACCUMULATED DEPRECIATION</u>				
Computer equipment	-	9 815	-	9 815
Office Equipment	-	3 551	-	3 551
Furniture and fixtures	-	2 455	-	2 455
	-	15 821	-	15 821
<u>NET BOOK VALUE</u>	-			147 993

	<u>2011</u>	<u>2010</u>
	R	R
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Donations receivable	-	370 000
Staff loans	2 038	-
	2 038	370 000
<b>5. BANK BALANCES AND CASH ON HAND</b>		
Short term deposit account	574 384	44 617
Current account and cash balances	216 979	86 351
	791 363	130 968

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	<u>2011</u> R	<u>2010</u> R
<b>6. TRADE AND OTHER PAYABLES</b>		
Other payables	20 857	3 437
	<u>20 857</u>	<u>3 437</u>
<b>7. NET SURPLUS/(DEFICIT) BEFORE TAXATION</b>		
Net surplus/(deficit) before taxation is derived after taking the following items into account:		
<b>Income</b>		
Revenue from:		
Donations received	2 207 525	1 127 575
Services to students	-	33 418
	<u>2 207 525</u>	<u>1 160 993</u>
<b>Expenses</b>		
Audit fees	6 840	12 540
Depreciation	15 821	-
Rental paid	7 463	-
Staff costs	933 101	564 784
	<u>959 225</u>	<u>577 324</u>
<b>8. TAXATION</b>		
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**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	<u>2011</u> R	<u>2010</u> R
<b>9. NOTES TO THE CASH FLOW STATEMENT</b>		
Reconciliation of net surplus/(deficit) before taxation to cash utilised in operations		
Net surplus/(deficit) before taxation	423 006	106 843
Adjusted for:		
Interest received	(5 209)	(1 762)
Depreciation	15 821	-
	<hr/>	<hr/>
Operating surplus/(deficit) before working capital changes	433 618	105 081
Working capital changes:		
Increase/(decrease) in trade and other receivables	367 962	(370 000)
Increase/(decrease) in trade and other payables	17 420	3 437
	<hr/>	<hr/>
Cash generated/(utilised) in operations	<u>819 000</u>	<u>(261 482)</u>

**IKAMVA LISEZANDLENI ZETHU**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2011**

**DETAILED INCOME STATEMENT**

	<b><u>2011</u></b> <b>R</b>	<b><u>2010</u></b> <b>R</b>
<b>Income</b>	2 207 525	1 160 993
Donations received and sundry revenue	2 207 525	1 160 993
<b>Expenses</b>	1 789 728	1 055 912
Accommodation	43 050	-
Applications	4 582	-
Audit fees	6 840	12 540
Bank charges	22 047	9 101
Bookkeeping charges	46 899	7 508
Catering	132 791	128 757
Computer expenses	22 451	20 710
Consultants fees	23 755	-
Consumables	9 004	898
Depreciation	15 821	-
Donations	59 106	-
Entertainment	1 788	-
General expenses	3 970	-
Gifts	16 967	-
Insurance	6 888	14 632
Postage and courier	1 904	918
Printing and stationery	34 069	31 655
Repairs and maintenance	26 692	7 194
Rental equipment	3 771	8 225
Rental office	3 692	-
Staff costs	933 101	564 784
Staff training - Sound engineering	5 000	-
Subscriptions	-	350
Telephone	76 528	63 226
Training - Workshops	17 010	51 576
Transport and travel expenses	207 480	133 838
Travel – Air	25 855	-
Website	38 667	-
<b>Operating surplus/(deficit) for the year</b>	417 797	105 081
Interest received	5 209	1 762
<b>Net surplus/(deficit) for the year</b>	423 006	106 843