

IKAMVA LISEZANDLENI ZETHU
(Registration number 032-082 NPO)

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 November 2006

IKAMVA LISEZANDLENI ZETHU

**FINANCIAL STATEMENTS
for the year ended 30 November 2006**

Country of incorporation	South Africa
Nature of business	Non profit activities
Postal address	Cnr Lansdowne & Cekece Roads Khayelitsha Cape Town
Auditor	Van der Linde & Associates Chartered Accountant (S.A.) Registered Accountant and Auditor
Company registration	032-082 NPO

IKAMVA LISEZANDLENI ZETHU

**FINANCIAL STATEMENTS
for the year ended 30 November 2006**

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

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The following supplementary schedules do not form part of the financial statements, and are unaudited.

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Approval and statement of responsibility

The financial statements which appear on pages 4 to 10 were approved by the management committee on 21 March 2008 and signed on their behalf.

L.E. Kota

J Olivier

Cape Town

21 March 2008

**REPORT OF THE INDEPENDENT AUDITOR TO THE MANAGEMENT COMMITTEE OF
IKAMVA LISEZANDLENI ZETHU**

I have audited the annual financial statements of Ikamva Lisezandleni Zethu set out on pages 4 to 9 for the period ended 30 November 2006. These financial statements are the responsibility of the trust's directors. My responsibility is to express an opinion on these financial statements based on my audit.

Scope

I conducted my audit in accordance with statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- ⊖ examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- ⊖ assessing the accounting principles used and significant estimates made by management, and
- ⊖ evaluating the overall financial statement presentation.

I believe that my audit provides a reasonable basis for my opinion.

Qualification

This organisation, in common with many others of similar size and nature, derives a substantial proportion of its income from sources which cannot be fully controlled until they are entered in the accounting records and are, therefore, not conducive to independent audit verification. Consequently, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the valuation, accuracy and completeness of donations received.

Qualified audit opinion

In my opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the organisation at 30 November 2006 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Supplementary information

The supplementary schedules set out on page 10 do not form part of the annual financial statements and are presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.



**Van der Linde & Associates
Chartered Accountant (S.A.)
Registered Accountant and Auditor**

**Claremont
21 March 2008**

IKAMVA LISEZANDLENI ZETHU
REPORT OF THE MEMBERS
for the year ended 30 November 2006

The management committee present their report for the year ended 30 November 2006. This report forms part of the audited financial statements.

1. General review

The association is a public non-profit organisation established to broaden post-school options for previously disadvantaged school leavers, by improving matric grades, facilitating application to tertiary education institutions and for financial aid, and providing leavers with work experience.

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

2. Statements of responsibility

The committee members are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditor is responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Companies Act, 1973.

The committee members are also responsible for the organisation'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 misstatement and loss. Nothing has come to the attention of the committee members 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 a going concern basis, as the committee members have every reason to believe that the organisation has adequate resources to continue to operate for the foreseeable future.

3. Financial results

The results of the trust and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

4. Members

The executive committee members during the accounting period and up to the date of this report were as follows:

L.E. Kota
J Olivier

5. Auditor

Van der Linde & Associates will continue in office in accordance with section 270(2) of the Companies Act.

IKAMVA LISEZANDLENI ZETHU**BALANCE SHEET
as at 30 November 2006**

	Notes	2006 R	2005 R
Assets			
Non-current assets			
Fixed assets	2	3,752	1,272
Current assets			
Trade and other receivables		62,279	10,007
Bank balances		100	100
		62,179	9,907
Total assets		<u>66,031</u>	<u>11,279</u>
Equity and liabilities			
Capital and reserves			
Distributable reserve		64,277	9,525
Current liabilities			
Trade and other payables		1,754	1,754
Total equity and liabilities		<u>66,031</u>	<u>11,279</u>

IKAMVA LISEZANDLENI ZETHU

**INCOME STATEMENT
for the year ended 30 November 2006**

	Note	2006 R	2005 R
Donations		203,979	22,890
Operating costs		<u>149,227</u>	<u>13,365</u>
Operating profit		<u>54,752</u>	<u>9,525</u>

IKAMVA LISEZANDLENI ZETHU

**CASH FLOW STATEMENT
for the year ended 30 November 2006**

	Notes	2006 R	2005 R
Cash flows from operating activities			
Cash generated by operating activities	4.1	55,992	11,668
Cash flows from investing activities			
<i>Expenditure to maintain operating capacity</i>			
Fixed assets acquired		(3,720)	(1,761)
Increase in cash and cash equivalents		52,272	9,907
Cash and cash equivalents at beginning of the year	4.2	9,907	-
Cash and cash equivalents at end of the year	4.2	62,179	9,907

IKAMVA LISEZANDLENI ZETHU
NOTES TO THE FINANCIAL STATEMENTS
at 30 November 2006

1 Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties.

1.1 Revenue recognition

Revenue comprises grants received and is recognised in the period to which it relates.

1.2 Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of fixed assets are as follows:

Computer equipment 33.33 %

2. Fixed assets

	2006			2005		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Computer equipment	5,481	1,729	3,752	1,761	489	1,272

3. Taxation

No provision has been made for 2006 taxation as the organisation is in the process of applying for exemption from Income Tax in terms of Section 10(1)(cN) of the Income Tax Act.

IKAMVA LISEZANDLENI ZETHU
NOTES TO THE FINANCIAL STATEMENTS
at 30 November 2006

	2006	2005
	R	R
4. Notes to the cash flow statement		
<i>4.1 Cash generated by operating activities</i>		
Net profit	54,752	9,525
Adjustments for:		
Depreciation	<u>1,240</u>	<u>489</u>
	55,992	10,014
Movements in working capital		
Increase in accounts receivable	-	(100)
Increase in accounts payable	<u>-</u>	<u>1,754</u>
	<u><u>55,992</u></u>	<u><u>11,668</u></u>
<i>4.2 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank balances	<u><u>62,179</u></u>	<u><u>9,907</u></u>

**IKAMVA LISEZANDLENI ZETHU
DETAILED INCOME STATEMENT
for the year ended 30 November 2006**

This is the start of the detailed income statement

	2006	2005
	R	R
Cost of sales		
Other income		
Donations	203,979	22,890
	<u>-</u>	<u>-</u>
Total income	203,979	22,890
Expenditure	149,227	13,365
Auditors' remuneration	-	1,710
Bank charges	1,327	1,238
Bursaries	4,945	1,250
Clothing	3,339	-
Computer expenses	5,905	45
Delivery expenses	1,346	-
Depreciation	1,240	489
Entertainment	2,316	4,838
Fuel	589	-
General expenses	993	-
Insurance	3,357	-
Operation Fikelela Curriculum Development	30,000	-
Printing and stationery	852	1,215
Repairs and maintenance	1,346	-
Subscriptions & publications	75	-
Travel - local	1,789	2,580
Travel - overseas	89,808	-
	<u>-</u>	<u>-</u>
Profit	<u><u>54,752</u></u>	<u><u>9,525</u></u>