

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

**Annual Financial Statements
for the year ended 30 November 2013**

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

INDEX

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

General Information	2
Independent Auditor report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12

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

Detailed Income Statement	13 - 14
---------------------------	---------

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

GENERAL INFORMATION

COUNTRY OF REGISTRATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To broaden post-school opportunities for disadvantaged youth
DIRECTORS	J Olivier (Executive) S Godlonton T Bixa L Meinert D Trollip S Kumalo
REGISTERED OFFICE	46 Plein Street Cape Town 8001
AUDITOR	JC van der Westhuizen & Associates Suite 205 Foyer 3 The Colosseum Century Boulevard Century City 7441

INDEPENDENT AUDITOR'S REPORT

To the members of Ikamva Lisezandleni Zethu

I have audited the annual financial statements of Ikamva Lisezandleni Zethu which comprise the statement of financial position at 30 November 2013, the statement of comprehensive income and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 12.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 2 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual 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 annual 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 the directors, as well as evaluating the overall presentation of the annual financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion the financial statements of Ikamva Lisezandleni Zethu for the year ended 30 November 2013 have been prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements.

Basis of Accounting and Restriction on Distribution and Use

I draw attention to note 2 to the financial statements, 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.

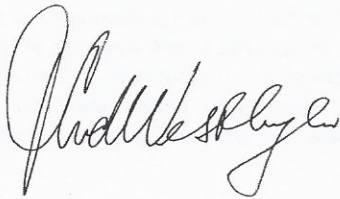
Other matter

The supplementary information set out on pages 13 to 14 do not form part of the annual financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.

INDEPENDENT AUDITOR'S REPORT

JC van der Westhuizen & Associates

13 June 2014



Per: JC vd Westhuizen
Registered Auditor

Suite 205 Foyer 3
The Colosseum
Century Boulevard
Century City
7441

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required to maintain adequate accounting records to enable the organisation to satisfy all reporting requirements applicable to it and provide for the proper conduct of an audit. The accounting records required must be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

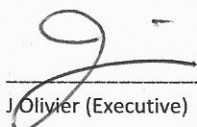
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, JC van der Westhuizen & Associates, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The management committee believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 7 to 12 were approved by the board on 13 June 2014 and were signed on its behalf by:


J. Olivier (Executive)


L. Meinert

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

DIRECTORS' REPORT

The directors present their report for the year ended 30 November 2013.

1. Review of activities

Main business and operations

The principal activity of the organisation is to broaden post-school opportunities for disadvantaged youth and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached 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 reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

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:

J Olivier (Executive)
S Godlonton
T Bixa
L Meinert
D Trollip
S Kumalo

6. Auditor

JC van der Westhuizen & Associates was the auditor for the year under review.

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements as at 30 November 2013

Statement of Financial Position

Figures in R	Note(s)	2013	2012
Assets			
Current Assets			
Trade and other receivables	3	809,350	13,193
Cash and cash equivalents	4	2,055,489	1,027,821
		2,864,839	1,041,014
Total Assets		2,864,839	1,041,014
Reserves and Liabilities			
Reserves			
Accumulated surplus		2,176,911	990,379
Current Liabilities			
Trade and other payables	5	687,818	50,635
Bank overdraft	4	110	-
		687,928	50,635
Total Reserves and Liabilities		2,864,839	1,041,014

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Statement of Comprehensive Income

Figures in R	2013	2012
Revenue	8,262,636	4,439,122
Operating costs	(7,147,479)	(4,254,065)
Operating surplus	1,115,157	185,057
Finance income	71,375	32,778
Surplus for the year	1,186,532	217,835
Retained income at 1 December 2012	990,379	772,544
Surplus for the year	1,186,532	217,835
Retained income at 30 November 2013	2,176,911	990,379

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Statement of Cash Flows

Figures in R	Note(s)	2013	2012
Cash flows from operating activities			
Surplus for the year		1,186,532	217,835
<i>Adjustments for:</i>			
Investment income		(71,375)	(32,778)
Operating cash flow before working capital changes		1,115,157	185,057
<i>Working capital changes</i>			
Increase in trade and other receivables		(796,157)	(11,155)
Increase in trade and other payables		637,183	29,778
Cash generated by operating activities		956,183	203,680
Interest received		71,375	32,778
Net cash from operating activities		1,027,558	236,458
Increase in cash and cash equivalents		1,027,558	236,458
Cash and cash equivalents at beginning of the year		1,027,821	791,363
Cash and cash equivalents at end of the year	4	2,055,379	1,027,821

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Accounting Policies

1. General information

Ikamva Lisezandleni Zethu is a voluntary association operating as a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or 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 each of the organisation's activities, as described below:

Grants and donations

Grants are recognised in accordance with the provisions of the underlying agreements, and where more appropriate, in the year in which the expenditure in respect of which the grant was received, was incurred.

Donations are recognised as income when received.

Interest income

Interest income is recognised using the effective interest method.

2.2 Income taxes

The association has been 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 tax in terms of section 10(1)(cN) of the Act.

The public benefit organisation has been 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

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Accounting Policies

2.3 Equipment

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

2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

2.5 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 borrowings in current liabilities on the statement of financial position.

2.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Notes to the Annual Financial Statements

Figures in R	2013	2012
3. Trade and other receivables		
Grants receivable	772,732	-
Sundry debtors	36,618	13,193
	<u>809,350</u>	<u>13,193</u>
	<u>809,350</u>	<u>13,193</u>
4. Cash and cash equivalents		
Favourable cash balances		
Term deposits	1,998,131	923,214
Cash on hand	3,038	1,653
Bank balances	-	61,175
Credit cards	54,320	41,779
	<u>2,055,489</u>	<u>1,027,821</u>
Overdraft		
Credit cards	110	-
	<u>110</u>	<u>-</u>
Current assets	2,055,489	1,027,821
Current liabilities	(110)	-
	<u>2,055,379</u>	<u>1,027,821</u>
5. Trade and other payables		
Grants refundable	150,000	-
Sundry creditors	50,318	50,635
Grants received in advance	487,500	-
	<u>687,818</u>	<u>50,635</u>

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Detailed Income Statement

Figures in R	2013	2012
Gross Revenue		
Grants received	8,262,636	4,439,122
	<u>8,262,636</u>	<u>4,439,122</u>
Other Income		
Investment income	71,375	32,778
	<u>71,375</u>	<u>32,778</u>
	<u>8,334,011</u>	<u>4,471,900</u>

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

IKAMVA LISEZANDLENI ZETHU (Non-Profit Organisation)

(Registration Number 032-082 NPO)

Annual Financial Statements for the year ended 30 November 2013

Detailed Income Statement

Figures in R	2013	2012
Expenditure		
Advertising and marketing	313,877	82,200
Application and registration fees	52,221	40,933
Auditor's remuneration	12,000	8,550
Bank charges	26,281	32,668
Catering and entertainment	51,313	29,929
Computer expenses	45,420	1,587
Consulting fees	7,382	113,767
Course materials and consumables	125,909	14,623
Feasibility studies	-	69,040
General expenses	19,877	1,716
Gifts	7,872	4,142
Insurance	44,775	18,060
Learner excursions	52,796	-
Lease rental on operating lease	118,083	55,083
Office supplies	18,023	8,526
Postage	2,964	2,368
Printing and stationery	87,356	57,627
Prizegiving	22,444	16,131
Repairs and maintenance	17,732	19,047
Salaries	3,950,888	2,181,419
Security	16,057	840
Staff training	23,030	15,840
Strategic planning sessions	194,218	173,387
Teaching aids	282,421	202,545
Telephone and fax	289,142	173,776
Travel expenses	611,642	443,834
Volunteer appreciation	32,051	22,645
Web development and maintenance	26,345	42,678
Winter school	695,360	421,104
	<u>7,147,479</u>	<u>4,254,065</u>
Surplus for the year	<u>1,186,532</u>	<u>217,835</u>

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