

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

**(Registration Number 032-082-NPO)**

**Annual Financial Statements**

**for the year ended 30 November 2023**

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

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

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

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## **General Information**

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	To enable disadvantaged youth to pull themselves and each other out of poverty and into tertiary education and/or employment.
<b>Directors</b>	MH Chidawanyika R Simankane X Mkhize YE Bucknor R Mudimu S Godwana
<b>Business Address</b>	47 Westminister road Salt River Cape Town 7925
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Nexia SAB&T Chartered Accountants (SA) 119 Witch-Hazel Avenue Highveld Technopark Centurion 0157
<b>Company Registration Number</b>	032-082-NPO
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the organisation's accounting policies.
<b>Preparer</b>	The annual financial statements were internally compiled by: HT Jansen
<b>Issued</b>	Financial Manager 5 July 2024

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

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## **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 described. 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 described in Note 1 and are based upon appropriate accounting policies consistently applied 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 of directors 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 directors have reviewed the organisation's cash flow forecast for the year to 30 November 2024 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 6 to 7.

The annual financial statements set out on pages 8 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 05 July 2024 and were signed on its behalf by:



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MH Chidawanyika



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YE Bucknor

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

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## **Directors' Report**

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The directors have pleasure in submitting their report on the annual financial statements of Ikamva Lisezandleni Zethu (Non-Profit Organisation) for the year ended 30 November 2023.

### **1. Nature of business**

The organisation is engaged to enable disadvantaged youth to pull themselves and each other out of poverty and into tertiary education and/or employment. The organisation operates in South Africa, through various school programmes and peer to peer learning. There have been no material changes to the nature of the organisation's business from the prior year

### **2. Review of financial results and activities**

The annual financial statements have been prepared in accordance with entity specific basis of accounting. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

### **3. Going concern**

We draw attention to the fact that at 30 November 2023, the company had accumulated surplus of R 9,715,654 and that the company's total assets exceed its liabilities by R 9,715,654. The directors believe that the organisation has adequate financial resources to continue in operation in the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the changes to legislation which may affect the organisation

### **4. Events after reporting date**

The directors are not aware of any material event that has a material impact on the annual financial statements, which occurred after the reporting date and up to the date of this report.

### **5. Directors' interest in contracts**

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

### **6. Directors**

The directors of the nonprofit organisation during the year and up to the date of this report is as follows:

<b>Director</b>	<b>Office</b>	<b>Designation</b>	<b>Changes</b>
MH Chidawanyika	Chief Executive Officer	Executive	
PI Madisha (Deceased)		Non-executive	Deceased-10 November 2023
R Simankane		Non-executive	
X Mkhize		Non-executive	
YE Bucknor	Chairperson	Non-executive	Appointed-10 November 2023
R Mudimu		Non-executive	
S Godwana		Non-executive	

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

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## **Directors' Report**

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### **7. Secretary**

No secretary has been formally appointed during the current financial year.

### **8. Auditors**

Nexia SAB&T were the independent auditors for the year under review.

## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the financial statements of Ikamva Lisezandleni Zethu (Non-Profit Organisation) set out on pages 8 to 20, which comprise the statement of financial position as at 30 November 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of Ikamva Lisezandleni Zethu (Non-Profit Organisation) for the year ended 30 November 2023 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the organisation's own accounting policies to satisfy the financial information needs of the organisation's directors. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ikamva Lisezandleni Zethu (Non-Profit Organisation) Annual Financial Statements for the year ended 30 November 2023", which includes the Directors' Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Audit. Tax. Advisory.

## **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Nexia SAB&T*

**Nexia SAB&T**  
Niren Coomar Soopal  
Director  
Registered auditor

09 July 2024



# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Statement of Financial Position

Figures in Rand

	Notes	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	5,575,938	5,592,214
<b>Current assets</b>			
Trade and other receivables	3	1,036,116	287,592
Cash and cash equivalents	4	9,650,077	12,868,810
		<b>10,686,193</b>	<b>13,156,402</b>
<b>Total Assets</b>		<b>16,262,131</b>	<b>18,748,616</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus		9,602,349	12,930,363
Other non-distributable reserves		113,305	-
<b>Total equity</b>		<b>9,715,654</b>	<b>12,930,363</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	853,487	876,807
Deferred income	7	4,934,956	4,262,569
Provisions	5	758,034	678,877
<b>Total current liabilities</b>		<b>6,546,477</b>	<b>5,818,253</b>
<b>Total equity and liabilities</b>		<b>16,262,131</b>	<b>18,748,616</b>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Statement of Comprehensive Income

Figures in Rand

	Notes	2023	2022
Revenue	8	19,759,638	18,672,744
Other income	9	8,109,578	8,102,321
Operating expenses		(31,886,704)	(27,619,328)
<b>Operating deficit</b>	10	<b>(4,017,488)</b>	<b>(844,263)</b>
Investment Revenue		689,474	437,088
<b>Deficit for the year</b>		<b>(3,328,014)</b>	<b>(407,175)</b>
Other comprehensive income		-	-
<b>Components of other comprehensive income that will not be reclassified to surplus or deficit</b>			
Gains on revaluation		113,305	-
<b>Total other comprehensive income</b>		<b>113,305</b>	-
<b>Total comprehensive deficit for the year</b>		<b>(3,214,709)</b>	<b>(407,175)</b>

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Revaluation surplus</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
<b>Balance at 1 December 2021</b>	-	13,337,538	13,337,538
<b>Changes in equity</b>			
Deficit for the year	-	(407,175)	(407,175)
Other comprehensive income	-	-	-
<b>Balance at 30 November 2022</b>	-	<b>12,930,363</b>	<b>12,930,363</b>
<b>Balance at 1 December 2022</b>	-	12,930,363	12,930,363
<b>Changes in equity</b>			
Deficit for the year	-	(3,328,014)	(3,328,014)
Other comprehensive income	113,305	-	113,305
<b>Balance at 30 November 2023</b>	<b>113,305</b>	<b>9,602,349</b>	<b>9,715,654</b>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Statement of Cash Flows

Figures in Rand

	Notes	2023	2022
Cash generated from operations	14	(3,896,903)	667,952
Interest received		689,474	437,088
<b>Net cash flows (used in) / from operating activities</b>		<b>(3,207,429)</b>	<b>1,105,040</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(11,304)	(102,405)
<b>Cash flows used in investing activities</b>		<b>(11,304)</b>	<b>(102,405)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,218,733)</b>	<b>1,002,635</b>
Cash and cash equivalents at beginning of the year		12,868,810	11,866,175
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>9,650,077</b>	<b>12,868,810</b>

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Accounting Policies**

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### **1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies asset 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 Property, plant and equipment**

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably.

##### **Land and Property**

The organisation acquired a property in Salt River, Cape Town. During the 2016 financial year the property was registered at the deeds office, as such the property was capitalised during the 2016 financial year.

Buildings are not depreciated and shall be revalued every five (5) years and the adjustment to the account loss or gains updated according to the asset value. Free services provided by the municipality shall be utilised for purpose of the valuation, but a professional consultant will be consulted every ten (10) years to verify the municipal valuation. The revaluation changes shall be recognised in other comprehensive income and accumulated in equity under revaluation surplus.

##### **Equipment**

Equipment consists of items of equipment in the computer lab/office container, furniture and fittings, office equipment and computer (IT) equipment. All items acquired that are not part of the computer lab, which are below R10 000 are expensed to surplus and deficit in the year of acquisition. All computer lab equipment will remain capitalised until fully depreciated.

It is the organisation's policy to capitalise assets at the end of the financial year in which they are acquired, hence they will start depreciating in the subsequent year.

##### **Capital work in progress**

Capital work in progress consists of items under construction. Since the asset is not yet ready for use it is not depreciated. The asset is transferred to the relevant asset category upon completion.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

This include costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less accumulated impairment losses.

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Accounting Policies**

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### ***Basis of preparation and summary of significant accounting policies continued...***

Depreciation is provided using the straight-line method to write down the costs, less estimated residual value over the useful life of the property, plant and equipment.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Land and buildings	Not depreciated	
Computer labs	Straight Line	10 years
Lab/Office container	Straight Line	10 years
Furniture and fixtures	Straight Line	6 years
Office equipment	Straight Line	3 years

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

## **1.2 Financial instruments**

### **Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### **Financial instruments at amortised cost**

These include trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

### **Trade and other receivables**

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

### **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 in current liabilities on the statement of financial position.

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Accounting Policies**

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*Basis of preparation and summary of significant accounting policies continued...*

### **Trade and other payables**

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

### **Deferred income**

Deferred income represents funding received according to funder agreements which has not yet been recognised as income.

Funding grants are recognised when there is reasonable assurance that organisation will comply with the conditions attached to them and the grant will be received

Funding grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A funding grant that becomes receivable as compensation for expenses or deficits already incurred for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

### **1.3 Tax exemption**

The organisation is approved as a public benefit organisation in terms of section 30 of the Income Tax Act (the Act), accordingly 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 will be tax deductible in the hands of the donors, in terms and subject to the limitations prescribed in sections 18A of the Act.

### **1.4 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### **Operating leases - lessor**

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

#### **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.

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Accounting Policies**

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*Basis of preparation and summary of significant accounting policies continued...*

### **1.5 Provisions**

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event; it is probable that the organisation will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

### **1.6 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivables 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 organisation; and
- specific criteria have been met for 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 expenditure in respect of which the grant was received was incurred.

Donations are recognised as income when received.

#### **Other income**

Other income consists mainly of project income and rental income.

Project income is income derived from the implementation of specific projects in line with the mandate of the organisation which differs from the traditional grant revenue received.

The project income is recognised in accordance with the provisions of the underlying agreement and where more appropriate, in the year in which the expenditure was incurred.

#### **Grant and other receivables**

Grant 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.

### **1.7 Employee benefits**

#### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.



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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Accounting Policies**

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*Basis of preparation and summary of significant accounting policies continued...*

### **1.8 Government grants**

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable. Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability. Grants are measured at the fair value of the asset received or receivable.

### **1.9 Impairment of assets**

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Notes to the Financial Statements

Figures in Rand

2023

2022

### 2. Property, plant and equipment

#### Balances at year end and movements for the year

	Buildings	Office equipment	Computer labs	Lab/Office Container	Total
<b>Reconciliation for the year ended 30 November 2023</b>					
<b>Balance at 1 December 2022</b>					
At cost/valuation	5,043,475	8,643	389,009	251,768	5,692,895
Accumulated depreciation	-	(2,881)	(83,938)	(13,862)	(100,681)
<b>Carrying amount</b>	<b>5,043,475</b>	<b>5,762</b>	<b>305,071</b>	<b>237,906</b>	<b>5,592,214</b>
<b>Movements for the year ended 30 November 2023</b>					
Additions from acquisitions	-	-	11,304	-	11,304
Depreciation	-	(2,882)	(88,010)	(49,993)	(140,885)
Revaluation increase (decrease)	113,305	-	-	-	113,305
<b>Total</b>	<b>113,305</b>	<b>(2,882)</b>	<b>(88,010)</b>	<b>(49,993)</b>	<b>(27,580)</b>
<b>Closing balance at 30 November 2023</b>					
At cost/valuation	5,156,780	8,643	400,313	251,768	5,817,504
Accumulated depreciation	-	(5,763)	(171,948)	(63,855)	(241,566)
<b>Carrying amount</b>	<b>5,156,780</b>	<b>2,880</b>	<b>228,365</b>	<b>187,913</b>	<b>5,575,938</b>
<b>Reconciliation for the year ended 30 November 2022</b>					
<b>Balance at 1 March 2021</b>					
At cost/valuation	5,000,000	8,643	373,358	208,489	5,590,490
Accumulated depreciation	-	-	-	-	-
<b>Carrying amount</b>	<b>5,000,000</b>	<b>8,643</b>	<b>373,358</b>	<b>208,489</b>	<b>5,590,490</b>
<b>Movements for the year ended 30 November 2022</b>					
Additions from acquisitions	43,475	-	15,651	43,279	102,405
Depreciation	-	(2,881)	(83,938)	(13,862)	(100,681)
<b>Total</b>	<b>43,475</b>	<b>(2,881)</b>	<b>(68,287)</b>	<b>29,417</b>	<b>1,724</b>
<b>Closing balance at 30 November 2022</b>					
At cost/valuation	5,043,475	8,643	389,009	251,768	5,692,895
Accumulated depreciation	-	(2,881)	(83,938)	(13,862)	(100,681)
<b>Carrying amount</b>	<b>5,043,475</b>	<b>5,762</b>	<b>305,071</b>	<b>237,906</b>	<b>5,592,214</b>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Notes to the Financial Statements

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### 3. Trade and other receivables

Trade and other receivables comprise:

Trade receivables	9,812	9,927
Prepaid expenses	7,000	-
Other receivables	1,019,304	277,665
	<u>1,036,116</u>	<u>287,592</u>

### 4. Cash and cash equivalents

Cash and cash equivalents included in current assets:

#### Cash

Cash on hand	10,693	7,942
Balances with banks	9,351,624	12,641,351
Credit cards and E-bucks	287,760	219,517
	<u>9,650,077</u>	<u>12,868,810</u>

### 5. Provisions

Provisions for employee benefits

	Leave pay provision	Total
Balance at 1 December 2022	<u>678,877</u>	<u>678,877</u>
Increase in existing provisions	79,157	79,157
Total changes	<u>79,157</u>	<u>79,157</u>
Balance at 30 November 2023	<u>758,034</u>	<u>758,034</u>

### 6. Trade and other payables

Trade and other payables comprise:

Other payables	171,294	495,607
Value added tax	682,193	381,200
Total trade and other payables	<u>853,487</u>	<u>876,807</u>

### 7. Deferred income

Deferred income comprise:

Deferred income	3,975,964	3,744,224
Deferred income Shell	958,992	518,345
	<u>4,934,956</u>	<u>4,262,569</u>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## Notes to the Financial Statements

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### 8. Revenue

#### Revenue comprises:

Ad hoc and Government Donations	568,002	702,222
Programme Donations	19,191,636	17,970,522
<b>Total revenue</b>	<b>19,759,638</b>	<b>18,672,744</b>

### 9. Other income

#### Other income comprises:

Rental Income	80,831	64,309
Refunds	5,707	2,033
Amandla Ku Lutsha	-	1,090,719
Insurance claims	52,726	99,943
Reserve Income	-	11,449
E-Bucks	18,574	15,919
Special Projects	7,879,880	6,773,836
Recoveries	35,160	-
Training Income	36,700	44,113
<b>Total other income</b>	<b>8,109,578</b>	<b>8,102,321</b>

### 10. Operating deficit

#### Operating deficit includes the following separately disclosable items

#### Other operating expenses

Property plant and equipment - depreciation	140,885	100,681
Leases - operating lease minimum lease rentals	758,796	720,320
<b>Audit fees</b> Auditors remuneration - Fees	<b>165,500</b>	<b>120,000</b>

### 11. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

### 12. Events after the reporting date

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that has a material impact on the annual financial statements.

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

(Registration Number 032-082-NPO)

Financial Statements for the year ended 30 November 2023

## **Notes to the Financial Statements**

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### **13. Going concern**

We draw attention to the fact that at 30 November 2023, the company had accumulated surplus of R 9,715,654 and that the company's total assets exceed its liabilities by R 9,715,654. The directors believe that the organisation has adequate financial resources to continue in operation in the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the changes to legislation which may affect the organisation.

### **14. Cash flows from operating activities**

<b>Deficit for the year</b>	<b>(3,328,014)</b>	<b>(407,175)</b>
<b>Adjustments for:</b>		
Finance income	(689,474)	(437,088)
Depreciation and amortisation expense	140,885	100,681
<b>Change in operating assets and liabilities:</b>		
Trade and other receivables	(748,524)	41,329
Trade and other payables	(23,320)	206,163
Deferred Income	672,387	1,394,788
Movements in provisions	79,157	(230,746)
<b>Net cash flows from operations</b>	<b>(3,896,903)</b>	<b>667,952</b>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## Detailed Income Statement

Figures in Rand

	Notes	2023	2022
<b>Revenue</b>	8		
Ad hoc and Government Donations		568,002	702,222
Programme Donations		19,191,636	17,970,522
		<b>19,759,638</b>	<b>18,672,744</b>
<b>Other income</b>	9		
Amandla Ku Lutsha		-	1,090,719
E-Bucks		18,574	15,919
Insurance Claims		52,726	99,943
Recoveries		35,160	-
Refunds		5,707	2,033
Rental Income		80,831	64,309
Reserve Income		-	11,449
Special Projects		7,879,880	6,773,836
Training Income		36,700	44,113
		<b>8,109,578</b>	<b>8,102,321</b>

# Ikamva Lisezandleni Zethu (Non-Profit Organisation)

(Registration Number 032-082-NPO)

Annual Financial Statements for the year ended 30 November 2023

## Detailed Income Statement

Figures in Rand

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### Other expenses

Application & registration fees		(49,115)	(119,296)
Auditors remuneration - Fees		(165,500)	(120,000)
Bank charges		(121,856)	(92,086)
Catering		(409,409)	(231,442)
Cleaning		(34,483)	(26,405)
Community Collaboration Programme		(381,995)	(78,056)
Computer expenses		(226,527)	(425,820)
Consulting fees		(618,571)	(565,535)
Depreciation - property, plant and equipment		(140,885)	(100,681)
Employee costs - salaries	11	(18,452,891)	(16,801,470)
Fines and penalties		(21,456)	(97,416)
Fundraising, marketing and annual report		(157,901)	(207,306)
Furniture & fittings		(20,552)	(224,146)
Gifts		(6,229)	-
Insurance		(381,692)	(298,660)
Learner career guidance and workshops		(2,885,704)	(1,435,671)
Learner materials		(229,091)	(318,727)
Operating lease expense		(758,796)	(720,320)
Postage		(44,754)	(31,739)
Printing and stationery		(428,365)	(374,421)
Prize giving		(180,485)	(67,379)
Repairs and maintenance		(91,539)	(168,991)
Security		(124,766)	(99,217)
Software expenses		(141,169)	(99,529)
Strategic & AGM		(106,628)	(202,942)
Telecommunication		(765,530)	(608,572)
Training		(194,785)	(189,726)
Travel - Local		(1,472,991)	(1,281,340)
Travel - Overseas		(12,588)	-
Virtual tutoring		(44,434)	(106,586)
Volunteer appreciation		(65,484)	(71,660)
Volunteer transport		(2,184,660)	(1,685,613)
Winter school		(965,873)	(768,576)
		<b>(31,886,704)</b>	<b>(27,619,328)</b>

### Deficit from operating activities

10

**(4,017,488)**

**(844,263)**

### Finance income

Interest received

689,474

437,088

### Deficit for the year

**(3,328,014)**

**(407,175)**