

IKHAYALETHU COMMUNITY ORGANISATION

(Registration number: 015-293 NPO)

Annual Financial Statements

for the year ended 31 March 2015

IKHAYALETHU COMMUNITY ORGANISATION

(Registration number: 015 - 293 NPO)

Annual Financial Statements for the year ended 31 March 2015**General Information**

Country of incorporation and domicile	South Africa
Nature of Business and principal Activities	Ikhayaletu Community Organisation
Executive Members	M Shandu (Chair person) B.S Biyala (Deputy Chair person) J Mchunu (Treasurer) H.W Cele (General Secretary) JH Zikhali (Director)
Registered Address	P.O Box 4129 Sundumbili Mandeni 4491
Postal Address	P.O Box 4129 Sundumbili Mandeni 4491
Bankers	FNB
Accounting Officer	B. Sikhosana (B. Com Accounting, Honours, UKZN) Business Accountant In Practice (SA) SAIBA Practice number: BAP(SA)3832

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015

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The reports and Statement set out below comprise the financial statements presented

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REPORT OF THE INDEPENDENT ACCOUNTING OFFICER TO MEMBER(S) OF IKHAYALETHU COMMUNITY ORGANISATION

We have performed the duties of an independent Accounting Officer to Ikhayaletu Community Organisation NPO for the year ended 31 March 2016 as required by sections of Non-Profit Organisation Act, Act no. 71 of 1997 ("the Act").

The Annual Financial Statements of Ikhayaletu Community Organisation set out on pages 6 to 12 are the responsibility of members of the organisation. No audit is required by the Act to be carried out and no audit was conducted. Accordingly we do not imply or express an opinion or any other form of assurance on Financial Statements.

We have determined that the Financial Statements are in agreement with the accounting records summarized in the manner required by the Act and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records we considered necessary in the circumstances. We have also reviewed the accounting policies which have been presented to us as having been applied in the preparation of the Financial Statements and we consider that they appropriate to business.

Bafana Sikhosana (Mr)
Bachelor of Accountancy, Hons (UKZN)
Business Accountant In Practise (SAIBA)
Practise Number: BAP3832



IKHAYALETHU COMMUNITY ORGANISATION

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Owners Responsibilities and Approval

Directors Responsibilities and Approval

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the management accounts and related information.

The directors are responsible for the system internal financial control. These are designed to provide reasonable but not absolute, assurance as to the annual financial statement, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and loss. Nothing has come to the attention of the directors to that any material breakdown in the functioning of these controls, procedures and system has occurred during period under review.

The Financial statements have been prepared on going concern basis, since the directors have every reason to believe the corporation has adequate resources in place to continue in operation for the foreseeable future.

The Financial statements have been prepared on the going basis, since the directors have every reason to believe the corporation has adequate resource in place to continue in operation for the foreseeable future

The annual financial statements set out on pages 6 to 12 were approved by the member on 07/09/2016



On Behalf of Executive of:

IKHAYALETHU COMMUNITY ORGANISATION

NPO 015 - 293 NPO

IKHAYALETHU COMMUNITY ORGANISATION

(Registration number: 015 - 293 NPO)

Annual Financial Statements for the year ended 31 March 2015

Notes to Financial Statements

1. Review of Activities

Main Business and Operation

The principal activity of the organisation is to assist community by helping those who needy like orphans and people with disabilities in South Africa.

The operating results and statement of financial position of the company are fully set out in the attached interim financial statement and in our opinion do not require further comment.

2. Going Concern

We draw attention to the fact that at 31 March 2015, the NPO has accumulated surplus funds and the total assets equals total equity and liabilities.

The 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 realization of assets and settlement of liabilities, contingent obligations and commitment will occur in the ordinary course of business.

The ability to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure the ongoing operation of the company.

3. Post Balance Sheet Events

The director of the company is not aware of any significant matter or circumstance arising since the end of the financial year.

4. Director's interest in contracts

To our knowledge none of the directors had any interest in contracts (if any) entered into during the period under review.

5. Funds Distributions

To the best of our knowledge there were no distributions made to the directors of the NPO unless for compensation of services rendered.

6. Executive Members

The directors of the NPO during the year and to the date of this report are as follows:

<u>Initials & Surname</u>	<u>Nationality</u>
M Shandu (Chair person)	South African
B.S. Biyala (Deputy Chair person)	South African
J Mchunu (Treasurer)	South African
H.W. Cele (General Secretary)	South African
JH Zikhali (Director)	South African

7 Accounting Officer

Bafana Sikhosana will continue in the office until the end of the current financial year and the next financial year.

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015**Statement of Financial Position**

	2015	2014
Total Non-Current Assets		
Property, plant and equipment	4 771	-
	4 771	-
Total Current Assets		
Trade and Other Receivables	-	-
Inventory	-	-
Cash and Cash Equivalents	1 392	858
	1 392	858
Total Assets	6 163	858
Equity and Liabilities		
Retained Income	6 163	858
	6 163	858
Liabilities		
Non-Current Liabilities		
	-	-
	-	-
Current Liabilities		
	-	-
	-	-
Total Equity and Liabilities	6 163	858

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015**Statement of Financial Performance**

		2015	2014
		R	R
Revenue	1	482 976	447 720
Cost of sales		-	-
Gross Profit		<u>482 976</u>	<u>447 720</u>
Operating expenses		-477 671	-461 364
Operating profit		<u>5 305</u>	<u>-13 644</u>
Investment income		-	-
Finance costs		<u>-</u>	<u>-</u>
Profit before taxation		<u>5 305</u>	<u>-13 644</u>
Taxation	5	-	-
Total profit (loss) for the year		<u><u>5 305</u></u>	<u><u>-13 644</u></u>
Other Comprehensive Income			
Total comprehensive income (loss) for the year		<u><u>5 305</u></u>	<u><u>-13 644</u></u>

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015**Statement of Changes in Equity**

	Retained Income	Total Retained Income
Balance at 01 March 2013	14 502	14 502
Surplus (Deficit) for the year 2014	-13 644	-13 644
Balance at 01 March 2014	858	858
Surplus for the year 2015	5 305	5 305
Balance at 31 March 2016	6 163	6 163

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015**Statement of Cash Flows**

	2015	2014
Cash flows from operating activities		
Cash receipts from customers	482 976	447 720
Cash paid to suppliers and employees	<u>-475 862</u>	<u>-461 364</u>
Cash generated from operations	7 114	-13 644
Interest paid	-	-
Income taxes paid	-	-
Dividends paid	<u>-</u>	<u>-</u>
Net cash from operating activities	<u><u>7 114</u></u>	<u><u>-13 644</u></u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-6 580	-
Proceeds from sale of equipment	-	-
Acquisition of portfolio investments	-	-
Investment income	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u><u>-6 580</u></u>	<u><u>-</u></u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long-term borrowings	-	-
Payment of long-term borrowings	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u><u>-</u></u>	<u><u>-</u></u>
Net increase in cash and cash equivalents	534	-13 644
Cash and cash equivalents at beginning of period	858	14 503
Cash and cash equivalents at end of period	1 392	858

IKHAYALETHU COMMUNITY ORGANISATION

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Annual Financial Statements for the year ended 31 March 2015

Notes to Financial Statements

1. Accounting Policy**1.1. Basis of Preparation**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Accordingly, actual results could differ from those estimates.

IKHAYALETHU COMMUNITY ORGANISATION (NPO) is a voluntary association as a non-profit organisation incorporated in terms of NPO Act .

1.2. Revenue Recognition

Revenue from services rendered is only recognised as revenue when services are rendered.

Donations and grants

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

Donations are recognised as income when received

1.4. Property Plant and Equipment

Property Plant and Equipment (if any) is recognised at cost. The proprietorship provides for depreciation from the date assets are available for use using straight line method at the following rates:

Plant and Equipment	25%
Motor vehicles	20%
Furniture and fittings	33.33%

1.5. Financial Instruments

The fair value of cash, accounts payable and accrued liabilities, and advances from director approximate their carrying value given their short te maturity. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest rate risk arising from these financial instruments.

1.6. Comparative Figures

The information for the previous year was not available and therefore not presented

1.7. 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 interms of section 10(1)(cN) of the Act.

The public benefit organisation has been approved for purposes of section 18A(1) 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 precribed in the section 18A of the Act.

Notes to the Financial Statements

In rands

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost/Valuation	Accumulated depreciation	Carrying value
Land and buildings	-	-	-	-	-	-
Plant and equipment	-	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-
Office equipment	6 580	-1 810	4 771	6 789	-	6 789
Security equipment	-	-	-	-	-	-
Total	6 580	-1 810	4 771	6 789	-	6 789

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions/ Disposals	Depreciation	Total
Land and buildings	-	-	-	-
Plant and equipment	-	-	-	-
Furniture and Fixtures	-	-	-	-
Motor vehicles	-	-	-	-
Office equipment	-	6 580	-1 810	4 771
Security equipment	-	-	-	-
	-	6 580	-1 810	4 771

4. Inventories

	2015	2014
Raw materials, components	-	-

5. Trade and other receivables

	2015	2014
Trade receivables	-	-
	-	-

IKHAYALETHU COMMUNITY ORGANISATION
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Notes to the Financial Statements

Figures in Rand	2016 R	2014 R
2. Cash and cash equivalents		
2.1 Cash and cash equivalents consist of:		
Bank balance: First National Bank	1 392	858
	-	-
Current assets	1 392	858
	<u>1 392</u>	<u>858</u>
3. Surplus Fund		
Surplus Fund is reconciled as follows:		
Balance at beginning of the year	858	14 503
Surplus funds for the period	534	-13 644
Balance at the end of the year	<u>1 392</u>	<u>858</u>
4. Cash generated from operating activities		
Profit before taxation	5 305	-13 644
Adjust for:		
Depreciation	1 810	-
	<u>7 114</u>	<u>-13 644</u>
Working Capital Changes		
(Increase)/ Decrease in working capital	-	-
Trade payables	-	-
Trade receivables	-	-
Inventory	-	-
Cash flows from operating activities	<u>7 114</u>	<u>-13 644</u>
5. Taxation		
Major components of the tax expense		
Current		
Income tax - current period	-	-
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax		
Surplus	5 305	-13 644
Current taxation rate	0%	0%
Tax on surplus	-	-
Tax effect of permanent differences		
Taxation		
Effective tax rate		
Note: This is a Registered NPO therefore exempt from income tax.		

IKHAYALETHU COMMUNITY ORGANISATION

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Statement of Financial Performance

Figures in Rand	2015	2014
	R	R
Revenue		
Grant received	477 176	447 720
Donation received	5 800	-
	-	-
	482 976	447 720
Operating expenses		
Accounting fees	-	-
Bank charges	-6 029	-8 012
Salaries and wages	-292 938	-187 600
Operating costs	-176 894	-265 752
Depreciation	-1 810	-
	-477 671	-461 364
Operating profit	5 305	-13 644
Finance costs	-	-
Profit before taxation	5 305	-13 644
Taxation	-	-
Profit for the year	5 305	-13 644