

**INITIATIVE FOR COMMUNITY ADVANCEMENT
(Registration number 154-611 NPO)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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

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INITIATIVE FOR COMMUNITY ADVANCEMENT
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

BOARD MEMBERS' RESPONSIBILITIES AND APPROVAL

The board members are required by the Non-Profit Organisations Act, No. 71 of 1997, 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 the board member's 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 International Financial Reporting Standards for Small and Medium-sized Entities. 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 International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

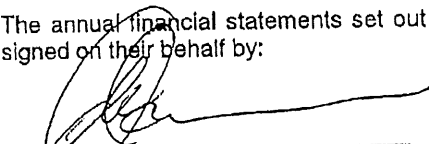
The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the International Financial Reporting Standard for Small and Medium-sized Entities 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 board members 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.

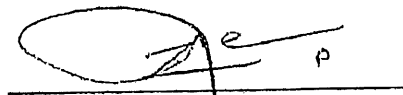
The board members have reviewed the organisation's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the organisation's statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 5 to 14, were approved by the board members and have been signed on their behalf by:

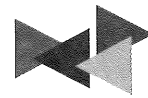


Mr E Ohison
Chairperson



Mr N Stevens
Treasurer

Piketberg
22 August 2019



To the board members of Initiative for Community Advancement

Opinion

We have audited the Annual Financial Statements of Initiative for Community Advancement set out on pages 6 to 14, which comprise the Statement of Financial Position as at 28 February 2019, 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 Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Initiative for Community Advancement as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act, No. 71 of 1997.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of Financial Statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The board members are responsible for the other information. The other information comprises the Board Members' Report as required by the Non-Profit Organisations Act, No. 71 of 1997, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements do 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 Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the board members for the Annual Financial Statements

The board members are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act, No. 71 of 1997, and for such internal control as the board members determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the board members 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 board members 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual 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 International Standards on Auditing 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 Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual 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 my 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 board members.
- Conclude on the appropriateness of the board members' 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 Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board members 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.

HG CHARTERED ACCOUNTANTS
HG CHARTERED ACCOUNTANTS
Chartered Accountants (SA)

Per: Francois Adams
Partner
Registered Auditor

22 August 2019

5 Iona Street
Bellville
7530

**INITIATIVE FOR COMMUNITY ADVANCEMENT
(Registration number 154-611 NPO)**

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

BOARD MEMBERS' REPORT

The board members have pleasure in submitting their report on the annual financial statements of Initiative for Community Advancement for the year ended 28 February 2019.

1. INCORPORATION

The organisation obtained their Non-Profit Organisation's registration number on 30 June 2015.

2. ACTIVITIES

The overall purpose of the organisation's activities is to provide training and engagement opportunities for the attendees on the issues of Managing Diversity and Active Citizenship Education in order to foster greater Social Cohesion in South Africa.

These activities represent significant learning and sharing platforms for all of the networking partners. As indicated in pre- and post evaluations of the camps and conferences, these young people reported huge shifts in behaviour and awareness of cultural, gender, class and racial diversity.

3. GOING CONCERN

The board members believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board members have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board members are not aware of any new material changes that may adversely impact the organisation. The board members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

4. EVENTS AFTER THE REPORTING PERIOD

The board members are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. BOARD MEMBERS

The board members in office at the date of this report are as follows:

Name	Designation
Mr E Ohlson	Chairperson
Mr N Stevens	Treasurer
Ms S Grobler	Deputy Secretary

6. SECRETARY

The secretary of the organisation is Dr J Somers.

7. AUDITORS

HG Chartered Accountants continued in office as auditors for the organisation for the year under review.

INITIATIVE FOR COMMUNITY ADVANCEMENT
(Registration number 154-611 NPO)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2019	2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	40,113	45,606
Current Assets			
Cash and cash equivalents	3	404,582	491,543
Trade and other receivables	4	26,030	3,530
		430,612	495,073
TOTAL ASSETS		470,725	540,679
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		432,125	444,170
Membership fees		15,275	15,275
		447,400	459,445
LIABILITIES			
Current Liabilities			
Provisions	7	13,800	11,500
Trade and other payables	5	9,525	69,734
		23,325	81,234
TOTAL EQUITY AND LIABILITIES		470,725	540,679

INITIATIVE FOR COMMUNITY ADVANCEMENT
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF DETAILED COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2019	2018
Revenue			
Grants and donations received		681,112	1,179,099
Project income		138,427	28,715
		819,539	1,207,814
Other income			
Gains on disposal of property, plant and equipment		-	788
Operating expenses			
Accounting fees		42,205	30,883
Activities at member organisations		54,773	130,225
Auditor's remuneration	8	42,406	45,700
Bank charges		4,125	8,523
Consulting fees		9,000	-
Communication		32,005	43,316
Competition expenses		1,500	-
Depreciation, amortisation and impairments		19,391	11,140
Employee costs		377,783	510,678
Evaluation		28,000	72,358
Managing Diversity Youth Event		99	33,139
Office material		22,489	21,437
Ongoing project evaluation		9,000	21,250
Professional fees		2,100	-
Rent, electricity, water and security		32,383	21,740
Staff development		4,227	17,978
Telephone and postage		12,838	16,193
Training manual development activities		150	11,141
Travel cost for staff and beneficiaries		113,933	97,693
Youth conferences		23,178	93,498
		831,585	1,186,892
Total (deficit) surplus for the year		(12,046)	21,710

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Membership fees	Accumulated funds	Total equity
Balance at 01 March 2017	4,775	422,460	427,235
Total surplus for the year	-	21,710	21,710
Membership fees introduced	10,500	-	10,500
Balance at 01 March 2018	15,275	444,170	459,445
Total deficit for the year	-	(12,046)	(12,046)
Balance at 28 February 2019	15,275	432,125	447,400

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash (used in) generated from operations	6	(73,063)	103,847
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(13,898)	(28,458)
Impairment of property, plant and equipment	2		788
Net cash from investing activities		(13,898)	(27,670)
Cash flows from financing activities			
Membership fees introduced		-	10,500
Total cash movement for the year		(86,961)	86,677
Cash at the beginning of the year		491,543	404,866
Total cash at end of the year	3	404,582	491,543

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Non-Profit Organisations Act, No. 71 of 1997. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

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

Item	Depreciation method	Average useful life
Office furniture	Straight line	6 years
Computer equipment	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 IMPAIRMENT OF ASSETS

The organisation assesses at each reporting date whether there is any indication that property, plant and equipment 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 profit or loss.

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 profit or loss.

1.3 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand and deposits held on call with banks, and investments in money markets, net of bank overdrafts all of which are available for use by the organisation unless otherwise stated.

ACCOUNTING POLICIES

1.4 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 loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

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.

1.5 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 – lessee

Operating lease payments are recognised as an expense 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 payments are 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.

Any contingent rents are expensed in the period they are incurred.

1.6 REVENUE

Revenue comprises of donations recognised on receipt of cash where the donation is freely given and there are no specific conditions attached to the use of the funds. Donations received in respect of funding for specific identifiable expenditure, are matched to this expenditure as it is incurred.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.7 GRANTS RECEIVED

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.

ACCOUNTING POLICIES

1.8 PROVISIONS AND CONTINGENCIES

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.

INITIATIVE FOR COMMUNITY ADVANCEMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018
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2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Office furniture	30,375	(10,500)	19,875	29,925	(5,483)	24,442
Computer equipment	44,244	(24,006)	20,238	30,796	(9,632)	21,164
Total	74,619	(34,506)	40,113	60,721	(15,115)	45,606

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Office furniture	24,442	450	(5,017)	19,875
Computer equipment	21,164	13,448	(14,374)	20,238
	45,606	13,898	(19,391)	40,113

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Office furniture	19,140	9,859	(4,557)	24,442
Computer equipment	9,148	18,599	(6,583)	21,164
	28,288	28,458	(11,140)	45,606

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	58	124
Bank balances	404,524	491,419
	404,582	491,543

4. TRADE AND OTHER RECEIVABLES

Deposits	6,030	3,530
Fees receivable	20,000	-
	26,030	3,530

5. TRADE AND OTHER PAYABLES

Accrued expenses	9,525	69,734
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INITIATIVE FOR COMMUNITY ADVANCEMENT
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2019	2018
6. CASH (USED IN) GENERATED FROM OPERATIONS		
Total comprehensive income for the year	(12,047)	21,710
Adjustments for:		
Depreciation, amortisation and impairments	19,391	11,140
Gains on disposal of property, plant and equipment	-	(788)
Movement in Provision for audit fees	2,300	100
Changes in working capital:		
Trade and other receivables	(22,500)	2,250
Trade and other payables	(60,207)	69,435
	(73,063)	103,847

7. PROVISIONS

Reconciliation of provisions - 2019

	Opening balance	Utilised during the year	Reversed during the year	Total
Provision for audit fees	11,500	13,800	(11,500)	13,800

8. AUDITOR'S REMUNERATION

Annual Audit Fees Provision	13,000	11,500
Project Audit Fees	40,106	34,200
Prior year provision movement and reversal	(10,700)	-
	42,406	45,700

9. TAXATION

No provision has been made for taxation as the organisation has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act, No. 58 of 1962, and is exempt from tax in terms of Section 10(1)(cN) of the act.

10. NAME CHANGE

The organisation changed its name from South African Youth Leaders Network (SAYLN) to Initiative for Community Advancement (ICA) during the year under review and retained the same NPO number of 154-611 NPO.