



Certified Master Auditors Inc.

Registered Accountants and Auditors
In Pursuit of Excellence

03 July, 2012

Independent Auditors' Report

To the Board of Trustees of SADC YOUTH MOVEMENT

We have audited the integrated annual financial statements of SADC YOUTH MOVEMENT, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 15.

Board of Trustees' Responsibility for the Annual Financial Statements

The organisation's board of trustees are responsible for the preparation and fair presentation of these integrated annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, and requirements of the Nonprofit Organisations Act of 1997, the organisation's constitution and donors' audit instructions, and for such internal control as the board of trustees determine is necessary to enable the preparation of integrated annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these integrated annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the integrated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the integrated annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the integrated 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 integrated 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 management, as well as evaluating the overall presentation of the integrated annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the integrated annual financial statements present fairly, in all material respects, the financial position of SADC YOUTH MOVEMENT as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 to the financial statements, and the requirements of the Nonprofit Organisations Act of 1997, the organisation's constitution and donors' audit instructions.

Directors:

Manus Johannes Maritz, Anne Johanna Friedrike Swenepoel, Carol Hendrik Mostert Pieterse, Douw Gerbrgnd Steyn Wolmarans, Eric Clamilton, Floris Johannes du Toit, George Davies, Marisca Lombard, Melinda Bath, Raymond Stanley Baard, Stephanus Isaac Minnaar, Wilma Martindale

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accounting and audit firms.
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world.

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Windsor West
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Queenswood
Vereeniging

Cape Town

Midlands – KZN



JSE Accredited Auditor



IRBA Practice No. 912476



SAICA Practice No. 20014869



International Affiliate

Individual Members



The South African Institute of Tax Practitioners

Emphasis of Matter

Without qualifying our opinion, we draw attention to the directors report /note 11 to the integrated financial statements which indicates that the organisation incurred a net deficit of R (173 647) for the year ended 31 December 2011 and, as at that date, the company's total liabilities exceeded its total assets by R 3 739. The [directors' report / note 11] also indicates that these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the organisation's ability to continue as a going concern.

Other matter

Without qualifying our opinion, we draw attention to a significant extra-ordinary item disclosed in note 9 to the integrated annual financial statements, which includes the capitalisation of assets previously not capitalised as well as the charging of accumulated depreciation to date in full in the current period amounting to R219 725, which was, a non-recurring event.



Certified Master Auditors Inc.

SADC YOUTH MOVEMENT
(Registration number 029- 624-NPO)
Integrated Annual Financial Statements
for the year ended 31 December 2011

Certified Master Auditors Inc.
Chartered Accountants (S.A.)
Registered Auditor
Published 03 July 2012

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	to build partnerships among civil society organisations in Southern Africa, to capacitate youth organisations to participate actively in the development process; to contribute to the consolidation of democracy and good governance and to create a platform for youth exchange in Southern Africa and developed countries.
Directors	Dr Lekgotla Mafisa - Chairperson Mr Alfred Muzwakhe Sigudla (Founder and Executive Director) Dr Jevio Mculu Ms Patience Chauke Ms Lesego Mokone Mr Tshepo Legodi Mr Mussie Boscretsion Tesfay REGIONAL EXECUTIVE COUNCIL Chairperson - Miss Vimbai Nhapi Deputy Chairperson - Miss Promise Chuma Secretary - Miss Angela Devi Jomadar Two additional members. Mr Helder Malauene Miss Phundulile Zikalala
Registered office	P.O. Box 14134 The Tramshed, 126 Pretoria
Business address	107 Nicolson Street Unit B50, 1st Floor Brooklyn Park Offices Brooklyn Pretoria
Postal address	P.O. Box 14134 The Tramshed, 126 Pretoria
Bankers	ABSA
Auditors	Certified Master Auditors Inc. Chartered Accountants (S.A.) Registered Auditor

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

General Information

Level of assurance

These integrated annual financial statements have been audited in Compliance with the applicable requirements of the Nonprofit Organisations Act of 1997, the organisation's constitution and donors' audit instructions.

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

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

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The following supplementary information does not form part of the integrated annual financial statements and is unaudited:

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Level of assurance

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Published

03 July 2012

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Board of Trustees' Responsibilities and Approval

The board of trustees is required by the Nonprofit Organisations Act of 1997, the organisation's constitution and donors' audit instructions, to maintain adequate accounting records and is responsible for the content and integrity of the integrated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the integrated annual financial statements fairly present the state of affairs of the organization 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 as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the integrated annual financial statements.

The integrated annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

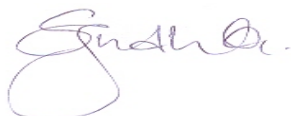
The board of trustees acknowledges that they are ultimately responsible for the system of internal financial control established by the organization and place considerable importance on maintaining a strong control environment. To enable the board of trustees to meet these responsibilities, the board 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 organization 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 organization is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the board of trustee's endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The board of trustees 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 integrated 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 of trustees have reviewed the organisation's cash flow forecast for the year to 31 December 2012 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's integrated annual financial statements. The integrated annual financial statements have been examined by the organisation's external auditors and their report is presented on page 5.

The integrated annual financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the board on 03 July 2012 and were signed on its behalf by:



**Mr Alfred Muzwakhe Sigudla (Founder
and Executive Director)**



Independent Auditors' Report

To the member of SADC YOUTH MOVEMENT

We have audited the integrated annual financial statements of SADC YOUTH MOVEMENT, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 7 to 16.

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Auditors' Responsibility

Our responsibility is to express an opinion on these integrated annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the integrated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the integrated annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the integrated 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 integrated 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 management, as well as evaluating the overall presentation of the integrated annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the integrated annual financial statements present fairly, in all material respects, the financial position of SADC YOUTH MOVEMENT as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as set out in Note 1 to the financial statements, and the requirements of the Nonprofit Organisations Act of 1997, the organisation's constitution and donors' audit instructions.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the directors report /note 11 to the integrated financial statements which indicates that the organisation incurred a net deficit of R (173 647) for the year ended 31 December 2011 and, as at that date, the company's total liabilities exceeded its total assets by R 3 739. The [directors' report / note 11] also indicates that these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the organisation's ability to continue as a going concern

Other matter

Without qualifying our opinion, we draw attention to a significant extra-ordinary item disclosed in note 9 to the integrated annual financial statements, which includes the capitalisation of assets previously not capitalised as well as the charging of accumulated depreciation to date in full in the current period amounting to R219 725, which was, a non-recurring event.

Independent Auditors' Report

AJF Swanepoel
Registered Auditor

03 July 2012

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Board of Trustees' Report

The boards of trustees submit their report for the year ended 31 December 2011.

1. Incorporation

The organisation is incorporated in South Africa.

2. Review of activities

Main business and operations

The organisation is engaged in activities to build partnerships among civil society organisations in southern africa, to capacitate youth organisations to participate actively in the development process; to contribute to the consolidation of democracy and good governance and to create a platform for youth exchange in southern africa and developed countries. and operates principally in South Africa.

The operating results and state of affairs of the organisation are fully set out in the attached integrated annual financial statements and do not in our opinion require any further comment.

Proportion of Income attributable to various Donors:

2011

Classification of Donors	Donation received
OXFAM / NOVIB	988 500
UNIFEM	22 831
UNFPA	463 551
UNHABITAT	34 559
LOTTERY RESEARCH	144 000
LSU	532 979

2010

Classification of Donors	Donation received
CONTRIBUTIONS	2 600
OXFAM / NOVIB	1 114 389
COMMON WEALTH	105 180
UNHABITAT	93 751
LSU	558 556
TSHWANE MUNICIPALITY	75 000
UNFPA	205 510
UNMC	71 959

Registered office

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Pretoria

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107 Nicolson Street
Unit B50, 1st Floor
Brooklyn Park Offices
Brooklyn
Pretoria

Postal address

P.O. Box 14134
The Tramshed, 126
Pretoria

3. Events after the reporting period

The board of trustees is not aware of any matter or circumstance arising since the end of the financial year.

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Board of Trustees' Report

4. Board of Trustees and Regional Executive Council

The board of trustees and the regional executive council of the organization during the year and to the date of this report are as follows:

BOARD OF TRUSTEES

Dr Lekgotla Mafisa - Chairperson
Mr Alfred Muzwakhe Sigudla (Founder and Executive Director)
Dr Jevio Mculu
Ms Patience Chauke
Ms Lesego Mokone
Mr Tshepo Legodi
Mr Mussie Boscretsion Tesfay

REGIONAL EXECUTIVE COUNCIL

Chairperson - Miss Vimbai Nhapi from Zimbabwe
Deputy Chairperson - Miss Promise Chuma from Botswana
Secretary - Miss Angela Devi Jomadar from Mauritius
Two additional members.
Mr Helder Malauene of Mozambique
Miss Phundulile Zikalala from Swaziland

5. Auditors

Certified Master Auditors Inc. will continue in office in accordance with the provisions of the organisations constitution.

6. Extra-Ordinary Item (Capitalisation of Property, Plant and Equipment / Depreciation charge)

As disclosed in note 9, the Executive President wishes to highlight an extra-ordinary item that has mainly contributed to the reported current year deficit. It relates to Property, plant and equipment which were expensed in the year of acquisition as per adopted accounting policy in prior periods. There has since been a change in accounting policy as well as a change in accounting estimate to recognise the assets in the statement of financial position and have them depreciated to date. The useful lives and residual values were not appropriately considered. However, a retrospective restatement is impracticable for a particular prior period as a result of the circumstances that led to the existence of that condition. As such, the entire accumulated depreciation from the dates of acquisition of the asset to the prior year as well as the current year depreciation have been expensed in the current period, hence the once off extra-ordinary depreciation expense of R219 725 as disclosed.

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Integrated Annual Financial Statements for the year ended 31 December 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011
Assets		
Non-Current Assets		
Property, plant and equipment	2	108 916
Current Assets		
Accounts receivable	3	13 333
Cash and cash equivalents	4	135 309
		148 642
Total Assets		257 558
Equity and Liabilities		
Equity		
Accumulated surplus		3 739
Liabilities		
Non-Current Liabilities		
Finance lease obligation		117 300
		122 269
		239 569
Current Liabilities		
Accounts payable		1 048
Credit and Garage cards	4	13 202
		14 250
Total Liabilities		253 819
Total Equity and Liabilities		257 558

SADC YOUTH MOVEMENT

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Integrated Annual Financial Statements for the year ended 31 December 2011

Statement of Comprehensive Income

Figures in Rand	Note(s)	2011
Donations		2 186 423
Direct Costs	5	(1 503 320)
Gross surplus		683 103
Operating expenses		(839 292)
Operating deficit		(156 189)
Finance costs	6	(17 458)
Deficit for the year		(173 647)
Other comprehensive income		-
Total comprehensive deficit for the year		(173 647)

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Statement of Changes in Reserves

Figures in Rand	Accumulated Total Reserves surplus (deficit)	
Balance at 01 January 2011	177 386	177 386
Changes in equity		
Total comprehensive deficit for the year	(173 647)	(173 647)
Total changes	(173 647)	(173 647)
Balance at 31 December 2011	3 739	3 739

Note(s)

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Statement of Cash Flows

Figures in Rand	Note(s)	2011
Cash flows from operating activities		
Cash generated from operations	8	51 251
Finance costs		(17 458)
Net cash from operating activities		33 793
Cash flows from financing activities		
Finance lease payments		122 269
Net cash flows from long term payables		(151 255)
Net cash from financing activities		88 314
Total cash movement for the year		122 107
Total cash at end of the year	4	122 107

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Accounting Policies

1. Presentation of Integrated Annual Financial Statements

The integrated annual financial statements have been prepared in accordance with the accounting policies as set out below. The integrated annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs 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.

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

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, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
Office equipment	6 years
IT equipment	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

SADC YOUTH MOVEMENT

(Registration number 029-624-NPO)

Integrated Annual Financial Statements for the year ended 31 December 2011

Accounting Policies

1.4 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests goodwill, with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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 (selling price less costs to complete and sell, in the case of inventories), 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.

1.5 Donations received

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

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

