

**THE ASAP FOUNDATION TRUST
(AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)
(Registration No. IT 3548/2004)**

**ANNUAL FINANCIAL STATEMENTS
29 FEBRUARY 2012**

The following reports and statements are presented in compliance with generally accepted accounting practice:

	Pages
Independent auditor's report	2 - 3
Trustees' report	4
Statement of financial position	5
Statement of income and retained earnings	6
Statement of cash flows	7
Notes to the annual financial statements	8 - 12
The supporting schedules do not form part of the statutory components of the annual financial statements and are presented solely for the information of management. Accordingly, as the auditors, we do not express an opinion on these schedules.	
Detailed income statement	13 - 14

Approval and statement of responsibility

The trustees of the trust are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with accounting policies as set out in note 2.

The trustees are also responsible for the trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 4 to 14 are the responsibility of the trustees and have been approved for issue by the Board of Trustees and are signed on their behalf by:

Trustee

09 October 2012
Date

Trustee

09 October 2012
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AFRICAN SOLUTION TO AFRICAN PROBLEMS FOUNDATION TRUST

Report on the financial statements

We have audited the annual financial statements of The African Solution to African Problems Foundation Trust, which comprise the trustees' report, the statement of financial position as at 29 February 2012, the statement of income and retained earnings and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 12.

Trustees' responsibility for the financial statements

The trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies as set out in note 2. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Except as discussed in the following paragraph, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Qualification

In common with similar organisations, it is not feasible for the trust to institute accounting controls over cash collections and donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified audit opinion

In our opinion, except for the effects on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material aspects, the financial position of the trust at 29 February 2012, and of its financial performance and cash flows for the year then ended in accordance with the accounting policies as set out in note 2.

Supplementary information

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules set out on pages 13 - 14 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly do not express an opinion on them.

**Braude Gordon & Co
Registered Auditors**

**Per L. Sher C.A (S.A)
Registered Auditor
Partner**

**Claremont
09 October 2012**

**THE ASAP FOUNDATION TRUST
(AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)**

TRUSTEES' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2012

The trustees have pleasure in submitting their report together with the audited annual financial statements for the year ended 29 February 2012.

General review

The African Solutions to African Problems Foundation Trust is a Trust incorporated in the Republic of South Africa. The principal activities of the Trust are raising funds from abroad, which will be used to establish new community-based organisations in the Republic of South Africa.

Statements of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the accounting policies as set out in note 2.

The trustees are also responsible for the trust's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

Financial results

The results of the trust for the year under review are fully set out in the attached financial statements and require no further comment.

Post balance sheet events

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

Trustees

The trustees of the trust during the accounting period and up to the date of this report were as follows:

P.D. Higham
R. Mashale
F. Jaiyesimi-Njobe
T.M. Zwane
B. Silvano
L. Sauls
C. Blacker
L. Greenberg Adler

The business address of the trust is as follows:

156 Main Road
Muizenburg Village
Muizenburg
7945

Auditors

Braude Gordon & Co will continue in office.

THE ASAP FOUNDATION TRUST

**STATEMENT OF FINANCIAL POSITION
AT 29 FEBRUARY 2012**

	Notes	2012 R	2011 R
ASSETS			
Non-current assets			
Property, plant and equipment	3	293,541	277,603
Current assets			
Other receivables and prepayments	4	85,006	36,394
Bank, cash and cash equivalents	5	576,502	350,088
Total assets		955,050	664,084
EQUITY AND LIABILITIES			
Equity			
Trust capital	6	100	100
Accumulated funds		731,418	661,199
Current liabilities			
Trade and other payables	7	223,532	2,785
Total equity and liabilities		955,050	664,084

THE ASAP FOUNDATION TRUST

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	Notes	2012 R	2011 R
Revenue		3,979,981	3,559,909
Other income		43,036	134,944
Total income		<u>4,023,017</u>	<u>3,694,852</u>
Direct expenditure on projects		<u>2,632,733</u>	<u>2,879,525</u>
Net income before other expenditure		1,390,284	815,328
Operating expenses		<u>1,320,065</u>	<u>1,115,291</u>
Net surplus / (deficit)		70,219	(299,963)
Accumulated funds at beginning of year		661,199	961,162
Accumulated funds at end of year		<u><u>731,418</u></u>	<u><u>661,199</u></u>

THE ASAP FOUNDATION TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2012

	Notes	2012 R	2011 R
Net cash retained in / (withdrawn) from operating activities		283,867	(374,618)
Cash receipts		3,979,981	3,530,975
Cash paid to suppliers and employees		(3,764,186)	(4,095,511)
Cash generated / (deficit) from operating activities	9.1	215,795	(564,536)
Interest received		25,036	54,974
Sundry income		43,036	134,944
Cash flows from investing activities		(57,453)	(122,370)
Purchase of property, plant and equipment	9.2	(57,453)	(212,370)
To increase operating capacity		(57,453)	(212,370)
Disposal of property, plant and equipment		-	90,000
Net increase / decrease in cash & cash equivalents		226,414	(496,988)
Cash and cash equivalents at beginning of the year		350,088	847,076
Cash and cash equivalents at end of the year	9.3	576,502	350,088

THE ASAP FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012

1. General information

The ASAP Foundation Trust is a trust, incorporated in South Africa. Its principal business activity is undertaking public benefit activities which promote development for the poor and needy persons in rural communities in Southern Africa.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the trust, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Property, plant and equipment

Property, plant and equipment are tangible assets that:

- (a) are held for use for administrative purposes, and
- (b) are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item is its cash price equivalent at the recognition date.

The trust adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits. The carrying amount of the replaced part is also derecognised. All other repairs and maintenance and servicing costs are charged to profit or loss as incurred.

Depreciation is charged to profit or loss so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

	Useful life
Office equipment	6.67 years
Motor vehicles	6 years
Computer equipment	5 years
Furniture and fittings	6.67 years

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are reviewed if there is an indication that there has been a significant change since the last reporting date. If necessary, the consequent depreciable amounts, rates and methods are adjusted. Any changes are accounted for as changes in accounting estimates and included in profit or loss for the current and future periods by adjusting the relevant future depreciation charges.

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

THE ASAP FOUNDATION TRUST

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

Revenue

Revenue represents donations received from overseas and local Public Benefit Organisations.

Interest received is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the trust.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks, investments in money market instruments, and bank overdrafts.

Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

THE ASAP FOUNDATION TRUST

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

3. Property, plant and equipment

	2012			2011		
	Cost R	Accum. deprec R	Carrying value R	Cost R	Accum. deprec R	Carrying value R
Office equipment	43,412	(31,027)	12,385	52,026	(28,252)	23,775
Motor vehicles	391,995	(179,699)	212,296	391,995	(158,079)	233,916
Computer equipment	30,310	(601)	29,709	-	-	-
Furniture and fittings	72,599	(33,447)	39,151	53,210	(33,297)	19,913
	<u>538,315</u>	<u>(244,774)</u>	<u>293,541</u>	<u>497,232</u>	<u>(219,629)</u>	<u>277,603</u>

The carrying amounts for 2012 can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Impairments R	Depreciation R	Carrying value at end of year R
Office equipment	23,775	-	(4,383)	-	(7,006)	12,385
Motor vehicles	233,916	-	-	-	(21,619)	212,296
Computer equipment	-	30,310	-	-	(601)	29,709
Furniture and fittings	19,913	27,143	(762)	-	(7,143)	39,151
	<u>277,603</u>	<u>57,453</u>	<u>(5,145)</u>	<u>-</u>	<u>(36,369)</u>	<u>293,541</u>

The carrying amounts for 2011 can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Disposals R	Impairments R	Depreciation R	Carrying value at end of year R
Office equipment	30,777	5,320	-	-	(12,323)	23,774
Motor vehicles	107,329	199,000	(28,030)	-	(44,383)	233,916
Computer equipment	-	-	-	-	-	-
Furniture and fittings	26,685	8,050	-	-	(14,822)	19,913
	<u>164,791</u>	<u>212,370</u>	<u>(28,030)</u>	<u>-</u>	<u>(71,528)</u>	<u>277,603</u>

4. Other receivables and prepayments

These include:

	2012 R	2011 R
Deposits	23,409	17,257
Prepayments	61,598	16,784
Other receivables	-	2,352
	<u>85,006</u>	<u>36,394</u>

THE ASAP FOUNDATION TRUST

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	2012	2011
	R	R
5. Bank, cash and cash equivalents		
Bank and cash balances at year end comprise:		
Petty cash	646	665
FNB Current account	55,792	99,370
RMB Money market	520,064	250,052
	<u>576,502</u>	<u>350,088</u>
Cash and cash equivalents consist of cash on hand and balances with banks invested in money market instruments.		
6. Trust capital		
Initial Donation	<u>100</u>	<u>100</u>
7. Trade and other payables		
Accruals	<u>223,532</u>	<u>2,785</u>
8. Taxation		
Taxation has not been provided as the trust is a Non Profit Organisation in terms of the Income Tax Act.		
9. Notes to the cash flow statement		
9.1 Reconciliation of net profit before taxation to cashflows from operations		
Net income/ (deficit) before taxation	70,219	(299,963)
Adjustments for :		
Depreciation	36,370	71,529
(Profit) / Loss on disposal of property, plant and equipment	5,145	(61,969)
Sundry income	(43,036)	(134,944)
Interest received	(25,036)	(54,974)
Operating profit / (loss) before working capital changes	<u>43,661</u>	<u>(480,322)</u>
Working capital changes		
Decrease in prepayments and other receivables	(48,613)	(28,934)
Increase/ (decrease) in trade and other payables	220,746	(55,280)
Cash generated / (deficit) from operations	<u>215,795</u>	<u>(564,536)</u>

9.2 Property, plant and equipment

During the period, the trust acquired property, plant and equipment with a cost of R57,453 (2011: R212,370). Cash payments of R57,453 (2011: R 213,093) were made to purchase property, plant and equipment.

THE ASAP FOUNDATION TRUST

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	2012	2011
	R	R
9.3 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank, cash and cash equivalents	576,502	350,088
	<u>576,502</u>	<u>350,088</u>

10. Related party disclosures

There were related party transactions with P. Higham, a Trustee and transactions included the following:

Rent received	<u>18,000</u>	<u>18,000</u>
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THE ASAP FOUNDATION TRUST

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	2012	2011
	R	R
Total Income	4,023,017	3,694,852
Donation income	3,979,981	3,559,909
Interest received	25,036	54,974
Profit on disposal of motor vehicle	-	61,969
Rental income	18,000	18,000
Direct expenditure on projects	2,632,733	2,879,525
Baphumelele (Khayelitsha, Western Cape)	104,608	214,046
Bolata youth (Qwa Qwa, Free State)	279,112	118,089
Buildings expenses	356,954	-
Conference costs	70,694	173,457
Fakisandla (Nyanga, Western Cape)	338,003	364,401
Hlomelikusasa (Mount Frere, Eastern Cape)	343,467	519,326
Ikwezi Lomso (Khayelitsha, Western Cape)	31,367	31,736
Imithayelanga youth development	131,105	-
Itekeng batswadi (Matatiele, Eastern Cape)	258,722	431,207
Kakaretso (Qwa Qwa, Free State)	371,057	237,378
Khula kahle (Matatiele, Eastern Cape)	26,438	23,135
Library project expenses	31,188	185,722
Mamahou (Matatiele, Eastern Cape)	135,402	440,762
Project management training	23,952	69,299
Research expenses	6,827	-
Sakhikamva (Matatiele, Eastern Cape)	24,508	-
Sihlangule (Matatiele, Eastern Cape)	96,584	70,967
Volunteer expenses	2,745	-
Net income before other expenditure	1,390,284	815,328
Operating expenses	1,320,065	1,115,291
Accounting fees	45,385	9,690
Audit fees	29,469	27,531
Bank charges	16,162	13,347
Board expenses	6,839	6,427
Cleaning	7,573	10,115
Computer expenses	6,997	920
Courier and postage	786	853
Depreciation	36,370	71,529
Fundraising expenses	55,263	219,479
Gifts	1,571	-
Insurance	20,507	17,903
Legal fees	3,000	-
Loss on sale of non-current assets	5,145	-
Media	81,216	-
Motor vehicle expenses	35,251	14,935
Office expenses	14,479	13,096
Printing and stationery	9,765	10,869
Recruitment fees	2,608	5,436
Rent paid	112,682	65,800
Repairs and maintenance	3,645	9,578
Salaries and wages	724,195	503,493
Security	3,324	2,628
Staff training	850	16,066
Telephone, internet and fax	12,256	10,663
Balance carried forward	1,235,337	1,030,360

THE ASAP FOUNDATION TRUST

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 29 FEBRUARY 2012**

Balance brought forward	1,235,337	1,030,360
Travel and accommodation	75,526	77,731
Accommodation	33,775	30,388
Airport shuttle services	-	3,050
Car rental	10,415	31,249
Flights	16,381	10,393
Subsistence	7,059	2,651
Travel - general	7,896	-
Utilities	9,202	7,200
Net surplus / (deficit) for the year	70,219	(299,963)