

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

**ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2011**

The following reports and statements are presented in compliance with the Companies Act:

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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 the International Financial Reporting Standard for Small and Medium-sized Entities.

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 13 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

29 July 2011
Date

Trustee

29 July 2011
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 balance sheet as at 28 February 2011, the statement of income and retained earnings, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 13.

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 International Financial Reporting Standard for Small and Medium-sized Entities. 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 company at 28 February 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

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

Report on other legal and regulatory requirements

With the written consent of all trustees, we have performed certain accounting and secretarial duties.

**Braude Gordon & Co
Registered Auditors**

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

**Claremont
Monday, August 01, 2011**

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

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2011

The trustees have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2011.

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.

No matter which is material to the financial affairs of the company has occurred between 28 February 2011 and the date of approval of the financial statements.

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 International Financial Reporting Standard for Small and Medium-sized Entities.

The trustees also responsible for the company'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.

These financial statements will be presented at the trusts' annual general meeting for the approval of trustees. It is possible that amendments may be required prior to trustees approval being given.

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

The business address of the trust is as follows:

17 Hansen Road
Muizenburg Village
Muizenburg
7945

Auditors

Braude, Gordon & Co will continue in office.

THE ASAP FOUNDATION

**BALANCE SHEET
AT 28 FEBRUARY 2011**

	Notes	2011 R	2010 R
ASSETS			
Non-current assets			
Property, plant and equipment	3	277,603	164,791
Current assets			
Other receivables	4	36,393	7,459
Bank, cash and cash equivalents	5	350,087	847,075
Total assets		<u>664,083</u>	<u>1,019,325</u>
EQUITY AND LIABILITIES			
Equity			
Trust capital	6	100	100
Accumulated funds		661,200	961,162
Current liabilities			
Trade and other payables	7	2,783	58,063
Total equity and liabilities		<u>664,083</u>	<u>1,019,325</u>

THE ASAP FOUNDATION

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	2011 R	2010 R
Total Income	3,694,852	2,996,578
Donation income	3,559,909	2,835,267
Interest received	54,974	143,311
Profit on disposal of motor vehicle	61,969	-
Rental income	18,000	18,000
Direct expenditure on projects	2,879,525	3,015,687
Baphumelele (Khayelitsha, Western Cape)	214,046	59,525
Bolata youth (Qwa Qwa, Free State)	118,089	155,332
Conference costs	173,457	-
Fakisandla (Nyanga, Western Cape)	364,401	250,867
Hlomelikusasa (Mount Frere, Eastern Cape)	519,326	1,052,300
Ikaheng (Matatiele, Eastern Cape)	-	36,721
Ikwezi Lomso (Khayelitsha, Western Cape)	31,736	-
Itekeng batswadi (Matatiele, Eastern Cape)	431,207	291,342
Kakaretso (Qwa Qwa, Free State)	237,378	646,517
Khula kahle (Matatiele, Eastern Cape)	23,135	-
Library project expenses	185,722	-
Mamahou (Matatiele, Eastern Cape)	440,762	333,373
Project management training	69,299	166,249
Sihlangule (Matatiele, Eastern Cape)	70,967	-
Thandukaphila (Empangeni, Kwa Zulu Natal)	-	9,116
Zwelitsha (Mount Fletcher, Eastern Cape)	-	14,345
Net income/ (deficit) before other expenditure	815,327	(19,109)
Operating expenses	1,115,289	930,142
Accounting fees	9,690	-
Audit fees	27,531	23,085
Bank charges	13,347	14,634
Board expenses	6,427	-
Capital item less than R7,000	-	13,836
Cleaning	10,115	13,880
Computer expenses	920	1,692
Courier and postage	853	89
Depreciation	71,529	81,815
Fundraising expenses	219,479	116,393
Insurance	17,903	12,967
Legal fees	-	1,140
Motor vehicle expenses	14,935	13,054
Office expenses	13,096	6,265
Printing and stationery	10,869	8,827
Recruitment fees	5,436	-
Rent paid	65,800	77,400
Repairs and maintenance	9,578	-
Salaries and wages	503,493	398,924
Security	2,628	5,353
Staff training	16,066	-
Telephone, internet and fax	10,663	12,179
Travel and accommodation	77,731	121,229
Accommodation	30,388	36,100
Airport shuttle services	3,050	-
Car rental	31,249	32,649
Flights	10,393	46,641
Subsistence	2,651	5,839
Utilities	7,200	7,380
Net (deficit) for the year transferred to capital account	(299,962)	(949,251)

THE ASAP FOUNDATION

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	Note	Trust capital R	Accumulate d funds R	Total R
Balance at 28 February 2009		100	1,910,413	1,910,513
Net deficit for the year		-	(949,251)	(949,251)
Balance at 28 February 2010		100	961,162	961,262
Net deficit for the year		-	(299,962)	(299,962)
Balance at 28 February 2011		100	661,200	661,300

THE ASAP FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	2011 R	2010 R
Net cash withdrawn from operating activities		(374,617)	(827,635)
Cash receipts from customers		3,530,975	2,842,496
Cash paid to suppliers and employees		(4,095,508)	(3,831,442)
Cash generated from operating activities	9.1	(564,533)	(1,132,257)
Interest received		54,974	143,311
Sundry income		134,943	161,311
Cash flows from investing activities		(122,372)	18,000
Purchase of property, plant and equipment	9.2	(212,371)	-
To increase operating capacity		(212,371)	-
Disposal of property, plant and equipment		90,000	-
Repayments of loans receivable		-	18,000
Net decrease in cash & cash equivalents		(496,988)	(809,635)
Cash and cash equivalents at beginning of the year		847,075	1,656,710
Cash and cash equivalents at end of the year	9.3	350,087	847,075

THE ASAP FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

1. General information

The ASAP Foundation 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 years
Motor vehicles	6 years
Furniture and fittings	6 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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

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 company.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

3. Property, plant and equipment

	2011			2010		
	Cost	Accum. deprec	Carrying value	Cost	Accum. deprec	Carrying value
	R	R	R	R	R	R
Office equipment	52,026	(28,252)	23,774	46,706	(15,929)	30,777
Motor vehicles	391,995	(158,079)	233,916	272,140	(164,811)	107,329
Furniture and fittings	53,210	(33,297)	19,913	45,160	(18,475)	26,685
	<u>497,231</u>	<u>(219,628)</u>	<u>277,603</u>	<u>364,006</u>	<u>(199,215)</u>	<u>164,791</u>

The carrying amounts for 2011 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Impairments	Depreciation	Carrying value at end of year
	R	R	R	R	R	R
	Office equipment	30,777	5,320	-	-	(12,323)
Motor vehicles	107,329	199,000	(28,030)	-	(44,383)	233,916
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>

The carrying amounts for 2010 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Impairments	Depreciation	Carrying value at end of year
	R	R	R	R	R	R
	Office equipment	37,783	-	-	-	(7,006)
Motor vehicles	175,364	-	-	-	(68,035)	107,329
Furniture and fittings	33,459	-	-	-	(6,774)	26,685
	<u>246,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,815)</u>	<u>164,791</u>

	2011	2010
	R	R
4. Other receivables		
Prepayments	16,784	6,359
Deposits	17,257	1,100
Other receivables	2,352	-
	<u>36,393</u>	<u>7,459</u>

THE ASAP FOUNDATION

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	2011	2010
	R	R
5. Bank, cash and cash equivalents		
Bank and cash balances at year end comprise:		
Petty cash	665	700
FNB Current account	99,370	71,608
RMB Money market	250,052	774,767
	<u>350,087</u>	<u>847,075</u>

Cash and cash equivalents consist of cash on hand and balances with bank investments in money market instruments.

6. Trust capital		
Initial Donation	<u>100</u>	<u>100</u>
7. Trade and other payables		
Accruals	<u>2,783</u>	<u>58,063</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	(299,962)	(949,251)
Adjustments for :		
Depreciation	71,529	81,815
Profit on disposal of property, plant and equipment	(61,969)	-
Sundry income	(134,943)	(161,311)
Interest received	(54,974)	(143,311)
Operating profit before working capital changes	<u>(480,319)</u>	<u>(1,172,058)</u>
Working capital changes		
Decrease / (increase) in trade receivables	(28,934)	7,229
Increase/ (decrease) in trade and other payables	(55,280)	32,572
Cash generated from operations	<u>(564,533)</u>	<u>(1,132,257)</u>

9.2 Property, plant and equipment

During the period, the trust acquired property, plant and equipment with a cost of R213,093. Cash payments of R 213,093 were made to purchase property, plant and equipment.

THE ASAP FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011 R	2010 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	350,087	847,075
	<u>350,087</u>	<u>847,075</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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