

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

REGISTRATION NUMBER : IT 3548/2004

FINANCIAL STATEMENTS AT 28 FEBRUARY 2006

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APPROVAL OF FINANCIAL STATEMENTS

The trustees are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets and for developing and maintaining a system of internal control that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

After conducting appropriate procedures the trustees are satisfied that the Trust will be a going concern for the foreseeable future and has continued to adopt the going concern basis in preparing the financial statements.

The financial statements as set out on pages 3 to 7 are the responsibility of and were approved by the trustees and are signed on their behalf.

2006/09/08

TRUSTEE

REPORT OF THE INDEPENDENT AUDITORS TO

THE TRUSTEES OF THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)

We have audited the annual financial statements of The ASAP Foundation for the year ended 28 February 2006 as set out on pages 3 to 7. These financial statements are the responsibility of the Trustees. Our responsibility is to report on these financial statements.

Scope

We conducted our audit in accordance with statements of South African auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes:-

1. an evaluation of appropriateness of the accounting policies,
2. an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements,
3. an assessment of the accounting principles used and significant estimates made by management, and
4. an evaluation of the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion expressed below.

Qualification

In common with similar organisations, it is not feasible for the Trust to institute accounting controls over cash collections 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 effect on the financial statements of the matter referred to in the preceding paragraph, these financial statements fairly present the financial position of the Trust at 28 February 2006, and the results of its operations for the year then ended in conformity with generally accepted accounting practice.

BRAUDE, GORDON & COMPANY

2006/09/08

**CHARTERED ACCOUNTANTS (S.A.)
REGISTERED ACCOUNTANTS & AUDITORS**

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2006

The trustees have pleasure in submitting their report for the year ended 28 February 2006.

NATURE OF BUSINESS

The trust was formed on 14 October 2004 under notarial certificate at Penthouse Office Suite, 4th Floor Tamatave, 49 Bellevue Street, Cape Town. The Trust was formed to undertake public benefit activities which promote community development for poor and needy persons in rural communities in South Africa.

FINANCIAL RESULTS

The financial results of the trust for the period are reflected in the balance sheet, income statement and notes hereto.

TRUSTEES

The trustees of the trust are :-

N. P. Fischel-Abarbanel
P. D. Higham
R. Mashale
F. Jaiyesimi-Njobe
T. P. Ratcliffe
T. M. Zwane

OFFICES

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7945
Cape Town

**THE ASAP FOUNDATION
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BALANCE SHEET AT 28 FEBRUARY 2006

	Notes	2006 R	2005 R
ASSETS			
Current assets		174,472	59,098
Cash and cash equivalents	2	170,472	59,098
Trade and other receivables	3	4,000	-
TOTAL ASSETS		<u>R 174,472</u>	<u>R 59,098</u>
CAPITAL AND LIABILITIES			
Capital and reserves		(1,981)	45,020
Trust Fund	4	100	100
Accumulated (deficit)/funds		(2,081)	44,920
Balance at 1 March 2005		44,920	-
Add: Net (deficit)/income for the year		(47,001)	44,920
Current liabilities		176,453	14,078
Accounts payable	5	8,912	14,078
Deposit received	6	167,541	-
TOTAL CAPITAL AND LIABILITIES		<u>R 174,472</u>	<u>R 59,098</u>

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

INCOME STATEMENT FOR THE YEAR ENDING 28 FEBRUARY 2006

	Notes	2006 R	2005 R
INCOME		623,867	194,608
Donations received		592,101	194,588
Car rental recovery		31,750	-
Interest received		16	20
DEDUCT: EXPENDITURE		670,868	149,688
Audit fees		1,000	5,000
Bank charges		2,303	648
Disbursements to projects		512,014	102,392
Baphumelele		30,000	3,000
Bolata Youth		9,512	-
Etafeni		3,000	13,200
Hlomelikusasa		232,540	48,000
Kakaretso		104,844	8,550
Thandukaphila		108,882	16,625
Zamokuhle		-	3,200
Zwelitsha		23,236	9,817
Entertainment		1,096	-
Gifts		379	-
Legal fees		10,000	9,495
Medical expenses		302	-
Motor expenses		33,265	5,677
Printing and stationery		10,850	947
Reimbursive costs		489	2,868
Rental		20,500	-
Salaries and wages		38,300	12,200
Teas and refreshments		3,457	785
Telephone and fax		9,551	3,237
Training		11,050	-
Traveling and accommodation		16,312	6,439
NET (DEFICIT)/INCOME FOR THE YEAR TRANSFERRED TO THE CAPITAL ACCOUNT		<u>(R47,001)</u>	<u>R44,920</u>

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

NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2006

	2006 R	2005 R
6. DEPOSIT RECEIVED		
Elton John Aids Foundation	<u>167,541</u>	<u>-</u>

Being a deposit received in respect of a project that will commence in the next financial year.

7. TRUSTEES REMUNERATION

P. Higham	<u>36,000</u>	<u>12,200</u>
	<u>R 36,000</u>	<u>R 12,200</u>

8. TAXATION

No provision has been made for taxation as the trust is registered as a non profit organisation in terms of Act No. 71 of 1997.

9. FINANCIAL ASSETS

Bank balances and cash comprise cash held by the company. The carrying amounts of this asset approximates its fair value.

10. FINANCIAL LIABILITY

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The trustees consider that the carrying value of trade and other payables approximates to their fair value.

**THE ASAP FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost basis and incorporate the following accounting policies which have been applied on a constant basis.

1.1 Revenue

Revenue represents donations received from overseas based Public Benefit Organisations.

1.2 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances and trade and other payables. The particular method adopted are disclosed in the individual policy statement associated with each item.

	2006 R	2005 R
2. CASH AND CASH EQUIVALENTS		
Cash on hand	100	100
FNB Current Account	<u>170,372</u>	<u>58,998</u>
	<u><u>R170,472</u></u>	<u><u>R59,098</u></u>
Cash and cash equivalents consists of cash on hand and balances with banks and investments in money market instruments.		
3. TRADE AND OTHER RECEIVABLES		
P Higham	<u>4,000</u>	<u>-</u>
4. TRUST FUND		
Initial Donation	<u>100</u>	<u>100</u>
	<u><u>R 100</u></u>	<u><u>R 100</u></u>
5. ACCOUNTS PAYABLE		
Reimbursed expenditure	8,912	9,078
Braude Gordon & Company	<u>-</u>	<u>5,000</u>
	<u><u>R 8,912</u></u>	<u><u>R 14,078</u></u>