

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

**REGISTRATION NUMBER : IT 3548/2004**

**ANNUAL FINANCIAL STATEMENTS AT 28 FEBRUARY 2007**

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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 9 are the responsibility of and were approved by the trustees and are signed on their behalf.

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TRUSTEE

2007/05/04

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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 2007 as set out on pages 3 to 9. 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 International 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 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 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 2007, and the results of its operations for the year then ended in conformity with South African Generally Accepted Accounting Practice.

BRAUDE, GORDON & COMPANY

2007/05/04

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

**THE ASAP FOUNDATION  
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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2007**

The trustees have pleasure in submitting their report for the year ended 28 February 2007.

**NATURE OF BUSINESS**

- 1) The trust was formed on 14 October 2004 under notarial certificate with The Master of The High Court 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
- 2) The trust has successfully raised funds from abroad, which will be used to establish new Community Based Organisations in South Africa in the new financial year.

**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 ( Resigned 1/4/2007)  
T. M. Zwane

**BUSINESS ADDRESS:**

17 Hansen Road  
Muizenberg Village  
Muizenberg  
7945  
Cape Town

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

**BALANCE SHEET AT 28 FEBRUARY 2007**

	Notes	2007 R	2006 R
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2	50,813	-
Current assets			
Cash and cash equivalents	3	1,945,771	170,472
Trade and other receivables	4	98,308	4,000
<b>TOTAL ASSETS</b>		<u><u>R 2,094,892</u></u>	<u><u>R 174,472</u></u>
<b>CAPITAL AND LIABILITIES</b>			
Capital and reserves			
Trust Fund	5	100	100
Accumulated funds		2,089,375	(2,081)
Balance at 1 March 2005		(2,081)	44,920
Add: Net income/(deficit) for the year		2,091,456	(47,001)
Current liabilities			
Trade and other payables	6	5,417	8,912
Deposit received	7	-	167,541
<b>TOTAL CAPITAL AND LIABILITIES</b>		<u><u>R 2,094,892</u></u>	<u><u>R 174,472</u></u>

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

**INCOME STATEMENT FOR THE YEAR ENDING 28 FEBRUARY 2007**

	Notes	2007 R	2006 R
<b>INCOME</b>			
Donations received		4,230,634	592,101
Car rental recovery		-	31,750
Interest received		42,797	16
Total income		<u>4,273,431</u>	<u>623,867</u>
Deduct: Direct expenditure on projects		1,682,678	512,014
Baphumelele		15,796	30,000
Bolata Youth		48,299	9,512
Etafeni		148,258	3,000
Hlomelikusasa		881,740	232,540
Kakaretso		174,492	104,844
Thandukaphila		362,645	108,882
Zwelitsha		27,798	23,236
Project training		23,650	-
Net income before other expenditure		<u>2,590,753</u>	<u>111,853</u>
DEDUCT: EXPENDITURE (per schedule on page 6)		499,297	158,854
NET INCOME/(DEFICIT) FOR THE YEAR TRANSFERRED TO THE CAPITAL ACCOUNT		<u><u>R2,091,456</u></u>	<u><u>(R47,001)</u></u>

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

**SCHEDULE OF EXPENDITURE FOR THE YEAR ENDING 28 FEBRUARY 2007**

	2007	2006
	R	R
Administration fees	7,695	-
Advertising and fundraising fees	14,036	-
Audit fees	8,600	1,000
Bank charges	2,684	2,303
Cleaning	12,542	-
Computer expenses	710	-
Depreciation	2,517	-
Entertainment	-	1,096
Electricity and water	1,965	-
Food	2,954	-
Gardening	517	-
Gifts	-	379
Insurance	8,389	-
Leasing of motor vehicles	86,728	-
Legal fees	5,023	10,000
Medical expenses	-	302
Motor expenses	12,783	33,265
Printing and stationery	35,545	10,850
Reimbursive costs	1,171	489
Rental	49,574	20,500
Repairs and maintenance	4,889	-
Salaries and wages	90,000	38,300
Security	6,038	-
Subscriptions	1,353	-
Stall welfare	1,262	-
Teas and refreshments	-	3,457
Telephone and fax	26,728	9,551
Training	84,300	11,050
Traveling and accommodation	31,294	16,312
	<u>R 499,297</u>	<u>R 158,854</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2007**

**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.

**1.3 Property plant and equipment**

Property, plant and equipment is initially recognised at cost. The cost of property, plant and equipment includes amounts incurred initially to acquire or construct an item of property, plant and equipment and amounts incurred subsequently to add to or replace part of the asset. Replacement costs include the cost of major inspections. 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. Day-to-day servicing costs, such as labour and consumables, are expensed in the income statement

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all property, plant and equipment to write down the cost, less residual value, on the straight line basis over their useful lives as follows:

Furniture and fittings	6 years
Office equipment	6 years

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**NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2007**

	2007			2006
	R			R
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>				
	Cost	Accum. Deprec.	Book Value	Net Book Value
Office equipment	23,246	(806)	22,440	-
Opening balance	-	-	-	-
Additions	23,246	-	23,246	-
Depreciation	-	(806)	(806)	-
Furniture and fittings	30,083	(1,710)	28,373	-
Opening balance	-	-	-	-
Additions	30,083	-	30,083	-
Depreciation	-	(1,710)	(1,710)	-
	<u>R 53,329</u>	<u>(R 2,516)</u>	<u>R 50,813</u>	<u>R -</u>

**3. CASH AND CASH EQUIVALENTS**

Cash on hand	100	100
RMB Money Market Account	11,756	
FNB Money Market Account	1,931,319	
FNB Current Account	2,596	170,372
	<u>R1,945,771</u>	<u>R170,472</u>

Cash and cash equivalents consists of cash on hand and balances with banks and investments in money market instruments.

**4. TRADE AND OTHER RECEIVABLES**

The Charities Trust	98,308	-
P Higham	-	4,000
	<u>R 98,308</u>	<u>R 4,000</u>



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**NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2007**

	2007 R	2006 R
<b>5. TRUST FUND</b>		
Initial Donation	<u>100</u> <u>R 100</u>	<u>100</u> <u>R 100</u>
<b>6. TRADE AND OTHER PAYABLES</b>		
Sundry accruals	<u>R 5,417</u>	<u>R 8,912</u>
<b>7. DEPOSIT RECEIVED</b>		
Elton John Aids Foundation	<u>R -</u>	<u>R 167,541</u>
<b>8. TRUSTEES REMUNERATION</b>		
P. Higham	<u>42,000</u> <u>R 42,000</u>	<u>36,000</u> <u>R 36,000</u>

**9. 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.

**10. FINANCIAL ASSETS**

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

**11. 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.