

**THE ASAP FOUNDATION  
(AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)  
REGISTRATION NUMBER : IT 3548/2004**

**ANNUAL FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

C O N T E N T S	P A G E
Report of the auditors	2 – 3
Report of the trustee's	4
Balance sheet	5
Income statement	6 – 7
Cash flow statement	8
Notes to the financial statements	9 – 13

**TRUSTEE'S RESPONSIBILITIES AND APPROVAL OF THE FINANCIAL STATEMENTS**

The annual financial statements set out on pages 4 to 13 are the responsibility of the trustees. 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 generally accepted accounting practice.

The trustees are 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 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 company has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements were approved by the trustees and are signed on the company's behalf by :

18-Dec-08

\_\_\_\_\_  
TRUSTEE

\_\_\_\_\_  
TRUSTEE

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ASAP FOUHNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)**

### **Report on the financial statements**

We have audited the annual financial statements of ASAP Foundation Trust, which comprise the trustee's report, the balance sheet as at 29 February 2008, the income statement, 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 – 13.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

### **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 29 February 2008, and the results of its operations for the year then ended in conformity with South African Generally Accepted Accounting Practice.

**Braude Gordon & Co**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

**Cape Town**

**Per L. Sher**  
**Chartered Accountant (S.A.)**  
**Partner**

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

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 29 FEBRUARY 2008**

The trustees have pleasure in submitting their report for the year ended 29 February 2008.

**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 ( Resigned 16/02/2008)  
P. D. Higham  
R. Mashale  
F. Jaiyesimi-Njobe  
T. P. Ratcliffe ( Resigned 1/04/2007)  
T. M. Zwane  
B. Silvano U.K. (Appointed 20/01/2008)

**BUSINESS ADDRESS:**

17 Hansen Road  
Muizenberg Village  
Muizenberg  
7945  
Cape Town

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

**BALANCE SHEET AT 29 FEBRUARY 2008**

	Notes	2008 R	2007 R
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2	286,213	50,813
Current assets			
Cash and cash equivalents	3	607,732	1,945,771
Trade and other receivables	4	23,885	98,308
Loan receivable	7	18,000	-
<b>TOTAL ASSETS</b>		<u>935,830</u>	<u>2,094,892</u>
<b>CAPITAL AND LIABILITIES</b>			
Capital and reserves			
Trust Fund	5	100	100
Accumulated funds		933,363	2,089,375
Balance at 1 March 2007		2,089,375	(2,081)
Add: Net (loss)/profit for the year		(1,156,012)	2,091,456
Current liabilities			
Trade and other payables	6	2,367	5,417
<b>TOTAL CAPITAL AND LIABILITIES</b>		<u>935,830</u>	<u>2,094,892</u>

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

**INCOME STATEMENT FOR THE YEAR ENDING 29 FEBRUARY 2008**

	Notes	2008 R	2007 R
<b>INCOME</b>			
Donations received		1,227,924	4,230,634
Car rental recovery		42,858	-
Interest received		103,343	42,797
Rental Income		18,000	-
Total income		<u>1,392,125</u>	<u>4,273,431</u>
Deduct: Direct expenditure on projects		2,066,880	1,659,028
Baphumelele		-	15,796
Bolata Youth		57,721	48,299
Etafeni		141,571	148,258
Hlomelikusasa		726,399	881,740
Kakaretso		448,260	174,492
Thandukaphila		363,504	362,645
Zwelitsha		19,106	27,798
Project training	9	<u>310,319</u>	<u>-</u>
Net (loss)/ profit before other expenditure		<u>( 674,755)</u>	<u>2,614,403</u>
DEDUCT: EXPENDITURE (per schedule on page 7)		481,257	522,947
NET (LOSS)/PROFIT FOR THE YEAR TRANSFERRED TO THE CAPITAL ACCOUNT		<u><u>( 1,156,012)</u></u>	<u><u>2,091,456</u></u>

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

**SCHEDULE OF EXPENDITURE FOR THE YEAR ENDING 29 FEBRUARY 2008**

	2008	2007
	R	R
Accounting fees	1,200	-
Administration fees	171	7,695
Advertising	10,483	14,036
Audit fees	11,431	8,600
Bank charges	5,358	2,684
Conferences	-	23,650
Computer expenses	5,300	710
Courier & postage	1,110	-
Depreciation	36,740	2,516
- office equipment	3,487	806
- furniture & fittings	4,512	1,710
- motor vehicles	28,741	-
Food	-	2,954
Fundraising	14,469	-
Gardening	-	517
Insurance	14,301	8,389
Leasing of motor vehicles	-	86,728
Legal fees	6,315	5,023
Motor expenses	5,421	12,783
Printing and stationery	16,722	35,545
Rental paid – office	69,300	49,574
Repairs and maintenance	-	4,889
Salaries and wages	176,041	102,542
Secretarial fees	820	-
Security	348	6,038
Staff training	23,404	84,300
Subscriptions	248	1,353
Telephone, internet and fax	32,242	26,728
Travelling and accommodation	39,556	33,727
- accommodation	19,415	17,838
- flights	14,007	11,458
- subsistence	6,134	4,431
Utilities	10,277	1,966
	<u>481,257</u>	<u>522,947</u>

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

**CASHFLOW STATEMENT FOR THE FINANCIAL YEAR ENDING 29 FEBRUARY 2008**

	Notes	2008 R	2007 R
Net cash retained in operating activities		(1,065,899)	1,996,169
Cash receipts from customers		1,227,924	4,230,634
Cash paid to suppliers and employees		(2,397,166)	(2,277,262)
Cash generated from operating activities	8.1	(1,169,242)	1,953,372
Interest received		103,343	42,797
Cash flows from investing activities		(272,140)	(53,329)
Purchase of property, plant & equipment	8.2	(272,140)	(53,329)
Cash flows from financing activities		-	(167,541)
Net (decrease)/ increase in cash & cash equivalents		(1,338,039)	1,775,299
Cash and cash equivalents at beginning for the year		1,945,771	170,472
Cash and cash equivalents at end for the year	8.3	607,732	1,945,771



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

**NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

**1. ACCOUNTING POLICIES**

Basis of preparation

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, receivables 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
Motor vehicles	4 years

**1.4 Comparative figures**

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

**1.5 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.

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

**NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

**2. PROPERTY, PLANT & EQUIPMENT**

	Cost R	2008 Accum. deprec R	Carrying value R	Cost R	2007 Accum. deprec R	Carrying value R
Office equipment	23,246	(4,293)	18,953	23,246	(806)	22,440
<i>Furniture &amp; fittings</i>	30,083	(6,222)	23,861	30,083	(1,710)	28,373
Motor Vehicles	272,140	(28,741)	243,399	-	-	-
	<u>325,469</u>	<u>(39,256)</u>	<u>286,213</u>	<u>53,329</u>	<u>(2,516)</u>	<u>50,813</u>

The carrying amounts can be reconciled as follows:

	Carrying value at beginning of year R	Additions R	Other R	Disposals R	Depreciation R	Carrying value at end of year R
<b>2008</b>						
Office equipment	22,440	-	-	-	(3,487)	18,953
<i>Furniture &amp; fittings</i>	28,373	-	-	-	(4,512)	23,861
Motor Vehicles	-	272,140	-	-	(28,741)	243,399
	<u>50,813</u>	<u>272,140</u>	<u>-</u>	<u>-</u>	<u>(28,741)</u>	<u>286,213</u>

	Carrying value at beginning of year R	Additions R	Other R	Disposals R	Depreciation R	Carrying value at end of year R
<b>2007</b>						
Office equipment	-	23,246	-	-	(806)	22,440
<i>Furniture &amp; fittings</i>	-	30,083	-	-	(1,710)	28,373
Motor Vehicles	-	-	-	-	-	-
	<u>-</u>	<u>53,329</u>	<u>-</u>	<u>-</u>	<u>(2,516)</u>	<u>50,813</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

	2008 R	2007 R
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	218	100
RMB Money Market Account	223,484	1,931,319
FNB Money Market Account	360,359	11,756
FNB Current Account	23,671	2,596
	<u>607,732</u>	<u>1,945,771</u>
<p>Cash and cash equivalents consists of cash on hand and balances with banks and investments in money market instruments.</p>		
<b>4. TRADE AND OTHER RECEIVABLES</b>		
The Charities Trust	22,785	98,308
Deposit	1,100	-
	<u>23,885</u>	<u>98,308</u>
<b>5. TRUST FUND</b>		
Initial Donation	<u>100</u>	<u>100</u>
<b>6. TRADE AND OTHER PAYABLES</b>		
Sundry accruals	<u>2,367</u>	<u>5,417</u>
<b>7. LOAN RECEIVABLE</b>		
Trustee's loan		
P. Higham	<u>18,000</u>	<u>-</u>

The above loan is unsecured and has no fixed date of repayment and bears interest at varying rates, currently nil.

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

**NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

**8. NOTES TO THE CASHFLOW STATEMENT**

**8.1. RECONCILIATION OF NET PROFIT BEFORE TAXATION TO CASHFLOWS FROM OPERATIONS**

	2008 R	2007 R
Net (loss)/profit before taxation	(1,156,012)	2,091,456
Adjustments for :		
Depreciation	36,740	2,516
Interest received	(103,343)	(42,797)
Operating loss before working capital changes	<u>(1,222,615)</u>	<u>2,051,175</u>
Working capital changes	53,373	(97,803)
Increase in loan receivable	(18,000)	-
(Decrease)/Increase in trade & other receivables	74,423	(94,308)
(Decrease) / Increase in trade and other payables	(3,050)	(3,495)
Cash generated from operations	<u>(1,169,242)</u>	<u>1,953,372</u>

**8.2 PROPERTY, PLANT AND EQUIPMENT**

During the year cash payments were made to purchase property, plant and equipment.	272,140	53,329
--	---------	--------

**8.3 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:

Cash on hand and balances with banks	607,732	1,945,771
	<u>607,732</u>	<u>1,945,771</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2008**

	2008 R	2007 R
<b>9. PROJECT TRAINING</b>		
Food & Trees for Africa	102,843	-
NACCW	207,476	-
	<u>310,319</u>	<u>-</u>
<b>10. TRUSTEES REMUNERATION</b>		
P. Higham	75,240	42,000
	<u>75,240</u>	<u>42,000</u>

**11. 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.

**12. FINANCIAL ASSETS**

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

**13. 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.