

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

(Registration Number IT 3548/2004)

**Annual Financial Statements
for the year ended 29 February 2016**



AUDIT • TAX • ADVISORY

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

(Registration Number IT 3548/2004)

Annual Financial Statements for the year ended 29 February 2016

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THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Annual Financial Statements for the year ended 29 February 2016

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Undertaking public benefit activities which promote development for the poor and needy persons in rural communities in Southern Africa
TRUSTEES	Andrew O'Neill Noah Fischel Patricia Blanchet Priscilla Higham (Appointed 21 July 2015) Serai Herbst Susan Crewe (Appointed 20 July 2015) Chiraag Shah (Appointed 20 July 2015) Sasha Wade Suzi Peel (Resigned 7 May 2015) Marilyn Hague
REGISTERED OFFICE	317 Main Road Kenilworth 7708
BANKERS	First National Bank
AUDITORS	BGC Suite 201, 200 on Main 200 Main Road Claremont 7708



AUDIT • TAX • ADVISORY



P.O. BOX 23502, CLAREMONT 7735
SUITE 201, 200 ON MAIN, MAIN ROAD
CLAREMONT 7708



TEL : +27 21 674 1115
FAX : +27 21 674 2772



EMAIL : GENERAL@BGC.CO.ZA
WWW.BGC.CO.ZA

INDEPENDENT AUDITOR'S REPORT

To the Members of The ASAP Foundation (African Solutions To African Problems) Trust

We have audited the financial statements of The ASAP Foundation (African Solutions To African Problems) Trust set out on pages 7 to 14, which comprise the statement of financial position as at 29 February 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 basis of accounting described in note 2, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 about 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 management, 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.

PARTNERS :

GA GORDON CA (SA), L SHER BCOM CA (SA), DI SHONE BCOM CA (SA), NP GORDON BCOM CA (SA)

SENIOR ASSOCIATES :

WN WATSON B.BUS SC CA (SA), SR WALKER BCOM CA (SA)

Opinion

In our opinion , except for the qualifications referred to above, the annual financial statements fairly present, in all material respects, the financial position of the trust as at 28 February 2016, and its financial performance and cash flows for the year ended in accordance with the basis of accounting described in note 2.

Other matter

Without qualifying our opinion we draw attention to the fact that supplementary information set out on pages 15 to 16 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



BGC
Registered Auditors

Per: L. Sher CA (SA)
Registered Auditor
Partner

30 September 2016

Suite 201, 200 on Main
200 Main Road
Claremont

7708

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

(Registration Number IT 3548/2004)

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TRUSTEES' RESPONSIBILITIES AND APPROVAL

The trustees are required to maintain adequate accounting records to enable the trust to satisfy all reporting requirements applicable to it and provide for the proper conduct of an audit. The accounting records required must be kept in such a manner as to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the trust, and explain the transactions and financial position of the business of the trust at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the trust and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the trustees have no reason to believe that the trust will not be a going concern in the foreseeable future. The financial statements support the viability of the trust.

The financial statements have been audited by the independent auditing firm, BGC, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of trustees and committees of the board. The trustees believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' qualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 7 to 14 were approved by the board on 30 September 2016 and were signed on their behalf by:

Priscilla Higham

Trustee



Trustee

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Annual Financial Statements for the year ended 29 February 2016

TRUSTEES' REPORT

The trustees present their report for the year ended 29 February 2016.

1. Review of activities

Main business and operations

The principal activities of the trust are public benefit activities which promote development for the poor and needy persons in rural communities in Southern Africa and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

The trustees are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the company.

4. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Andrew O'Neill
Noah Fischel
Patricia Blanchet
Priscilla Higham (Appointed 21 July 2015)
Serai Herbst
Susan Crewe (Appointed 20 July 2015)
Chiraag Shah (Appointed 20 July 2015)
Sasha Wade
Suzi Peel (Resigned 7 May 2015)
Marilyn Hague

5. Auditors

BGC were the auditors for the year under review.

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

(Registration Number IT 3548/2004)

Annual Financial Statements as at 29 February 2016

Statement of Financial Position

Figures in R	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	3	238,392	293,069
Current Assets			
Other receivables and prepayments	4	106,401	13,585
Cash and cash equivalents	5	1,020,241	1,532,108
		1,126,642	1,545,693
Total Assets		1,365,034	1,838,762
Equity and Liabilities			
Equity			
Trust capital	6	100	100
Accumulated funds		1,274,011	1,807,568
		1,274,111	1,807,668
Current Liabilities			
Trade and other payables	7	90,923	31,094
Total Equity and Liabilities		1,365,034	1,838,762

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Statement of Comprehensive Income

Figures in R	Note(s)	2016	2015
Revenue		2,493,191	4,270,461
Other income		355,628	-
Finance income		75,337	49,029
Total income		<u>2,924,156</u>	<u>4,319,490</u>
Direct expenditure on projects		<u>(2,415,308)</u>	<u>(1,056,356)</u>
Net income before other expenditure		508,848	3,263,134
Operating costs		(1,030,927)	(1,771,542)
Finance costs		(11,478)	-
(Deficit)/ Surplus for the year		<u>(533,557)</u>	<u>1,491,592</u>

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Statement of Changes in Equity

Figures in R	Trust capital	Accumulated funds	Total
Balance at 1 March 2014	100	315,976	316,076
Total comprehensive income for the year		1,491,592	1,491,592
Balance at 28 February 2015	100	1,807,568	1,807,668
Balance at 1 March 2015	100	1,807,568	1,807,668
Total comprehensive income for the year		(533,557)	(533,557)
Balance at 29 February 2016	100	1,274,011	1,274,111
Note	6		

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Statement of Cash Flows

Figures in R	Note(s)	2016	2015
Cash flows from operating activities			
(Loss)/ profit for the year		(533,557)	1,491,592
<i>Adjustments for:</i>			
Finance costs		11,478	-
Depreciation of property, plant and equipment		45,954	64,228
Investment income		(75,337)	(49,029)
Profit on disposal of property, plant and equipment		(14,000)	-
Loss on disposal of property, plant and equipment			50,332
(Increase)/decrease in trade and other receivables		(92,816)	6,079
Increase/(decrease) in trade and other payables		59,830	(10,709)
Cash (utilised in)/generated by operating activities		(598,448)	1,552,493
Interest received		75,337	49,029
Finance costs		(11,478)	-
Net cash from operating activities		(534,589)	1,601,522
Cash flows from investing activities			
Property, plant and equipment acquired		(17,278)	(255,000)
Proceeds on disposals of property, plant and equipment		40,000	75,000
Net cash generated by / (utilised in) investing activities		22,722	(180,000)
(Decrease)/Increase in cash and cash equivalents		(511,867)	1,421,522
Cash and cash equivalents at beginning of the year		1,532,108	110,586
Cash and cash equivalents at end of the year	5	1,020,241	1,532,108

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Annual Financial Statements for the year ended 29 February 2016

ACCOUNTING POLICIES

1. General information

The ASAP Foundation (African Solutions To African Problems) Trust is a non-profit organisation incorporated in South Africa.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue presents donations received from overseas and local Public Benefit Organisations. Donations are recognised as income upon receipt thereof.

2.1.1 Interest income

Interest income is recognised using the effective interest method.

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. 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.

Depreciation is charged 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:

Motor vehicles	6 years
Furniture & fittings	6.67 years
Office equipment	6.67 years
Computer equipment	5 years

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ACCOUNTING POLICIES

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

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Notes to the Annual Financial Statements

Figures in R 2016 2015

3. Property, plant and equipment

	Cost	Accumulated depreciation	2016 Carrying value	Cost	Accumulated depreciation	2015 Carrying value
<i>Owned assets</i>						
Motor vehicles	255,000	55,000	200,000	349,995	96,495	253,500
Furniture and fittings	73,259	54,751	18,508	73,259	45,900	27,359
Office equipment	37,463	37,463	-	37,463	36,776	687
Computer equipment	47,588	27,704	19,884	30,310	18,787	11,523
	413,310	174,918	238,392	491,027	197,958	293,069

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	253,500	-	(26,000)	(27,500)	200,000
Furniture and fittings	27,359	-	-	(8,851)	18,508
Computer equipment	11,523	17,278	-	(8,917)	19,884
	293,069	17,278	(26,000)	(45,955)	238,392

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2015 Carrying value at end of year
<i>Owned assets</i>					
Motor vehicles	169,263	255,000	(125,332)	(45,431)	253,500
Furniture and fittings	37,855	-	-	(10,496)	27,359
Office equipment	2,924	-	-	(2,237)	687
Computer equipment	17,585	-	-	(6,062)	11,523
	227,627	255,000	(125,332)	(64,226)	293,069

4. Other receivables and prepayments

Sundry debtors	83,738	5,585
Deposits	22,663	8,000
	106,401	13,585

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Figures in R	2016	2015
5. Cash and cash equivalents		
Favourable cash balances		
Cash on hand	2,210	1,419
FNB current account	54,834	352,742
RMB money market	963,197	1,177,947
	<u>1,020,241</u>	<u>1,532,108</u>
6. Trust capital		
Initial donation	<u>100</u>	<u>100</u>
7. Trade and other payables		
Accruals	86,335	31,094
Other Creditors	4,588	-
	<u>90,923</u>	<u>31,094</u>

8. Taxation

The trust is exempt from taxes in terms of Section 18A of the Income Tax Act, as it is recognised as a public benefit organisation in terms of Section 30 of the Income Tax Act.

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Detailed Income Statement

Figures in R	2016	2015
Gross Revenue		
Donation income	2,493,191	4,270,461
	<u>2,493,191</u>	<u>4,270,461</u>
Direct expenditure on projects		
ASAP Alliance Conference	111,902	-
Baphumelele (Khayelitsha, Western Cape)	-	13,257
Fakisandla (Nyanga, Western Cape)	268,862	55,381
Imithayelanga youth development	-	40,088
Itekeng Batswadi (Matatiele, Eastern Cape)	-	56,281
Khula kahle (Matatiele, Eastern Cape)	-	16,078
Library project expenses	79	215,460
Mamahou (Matatiele, Eastern Cape)	-	43,677
Mantsele	527,996	-
Non -budgeted programmes	146,299	-
Nonkqubela	421,483	157,996
Reahasetjhaba	537,287	210,641
Sakhikamva (Matatiele, Eastern Cape)	401,400	211,018
Volunteer expenses	-	36,479
	<u>2,415,308</u>	<u>1,056,356</u>
Gross Surplus	<u>77,883</u>	<u>3,214,105</u>
Other Income		
Interest received	75,337	49,029
Profit on sale of Property, Plant and Equipment	14,000	-
Recoveries from projects	341,628	-
	<u>430,965</u>	<u>49,029</u>
	<u>508,848</u>	<u>3,263,134</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

THE ASAP FOUNDATION (AFRICAN SOLUTIONS TO AFRICAN PROBLEMS) TRUST

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Detailed Income Statement

Figures in R	2016	2015
Expenditure		
Accounting fees	44,659	6,178
Auditors' remuneration	61,560	-
Bank charges	10,477	15,717
Board expenses	-	4,818
Cleaning	7,425	6,683
Computer expenses	3,500	9,757
Courier and postage	304	789
Depreciation	45,954	64,228
Entertainment	284	-
Finance costs	11,478	-
Fundraising expenses	2,210	57,343
General expenses	94	-
Gifts and entertainment	-	2,578
Insurance	25,930	18,453
Legal expenses	4,583	3,420
Loss on disposal of property, plant and equipment	-	50,332
Media	51,491	8,312
Motor vehicle expense	7,922	18,988
Office expenses	16,838	11,475
Printing and stationary	9,249	10,187
Recruitment fees	1,750	3,500
Rent paid	152,454	128,900
Repairs and maintenance	3,603	-
Salaries	440,354	1,232,748
Staff training	43,047	63,695
Telephone and fax	45,290	13,254
Travel and accomodation	45,654	37,416
Utilities	6,295	2,771
	<u>1,042,405</u>	<u>1,771,542</u>
(Loss)/ profit for the year	<u>(533,557)</u>	<u>1,491,592</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited