

**THE ASAP FOUNDATION TRUST
(African Solutions To African Problems)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

REGISTRATION NUMBER	IT 3548/2004
TRUSTEES	S A Crewe (Chairperson) N P Fischel-Abarbanel P D Higham M M Thubisi A A Titus
BUSINESS ADDRESS	160 Sir Lowry Road Woodstock Cape Town 7925
WEBSITE	www.africansolutions.org
AUDITORS	Harry Curtis & Co. P O Box 53067 Kenilworth 7745

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THE ASAP FOUNDATION TRUST

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

TRUSTEES RESPONSIBILITIES AND APPROVAL

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in their report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations for the period then ended. The external accountants are engaged to determine whether the annual financial statements are in agreement with the accounting records of the trust and to review the appropriateness of the accounting policies as having been applied in the preparation of the annual financial statements.

The financial statements are prepared from the trust's accounting records and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledges 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 trustees set 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. The focus of risk management in the trust is 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees are satisfied that the trust has, or has access to, adequate resources to continue in operation existence for the foreseeable future.

The independent auditors are engaged to express an independent opinion on the annual financial statements, and were given unrestricted access to all financial records and related data, including minutes of all meetings of the trustees. The trustees believe that all representations made to the independent auditors during their audit were valid and appropriate. The audit report is presented on pages 3 and 4.

The annual financial statements set out on pages 6 to 12 , which have been prepared on the going concern basis, were approved by the trustees and signed accordingly.

Susan Anne Crewe

TRUSTEE



TRUSTEE

31 May 2018

INDEPENDENT AUDITORS REPORT

To the Trustees of

THE ASAP FOUNDATION TRUST (African Solutions To African Problems)

Opinion

We have audited the financial statements of The ASAP Foundation Trust set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2018, the statement of income and retained earnings and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The ASAP Foundation Trust as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with the trust's accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with the ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the trustees report and does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the trust's accounting policies, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- ◆ Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- ◆ Conclude on the appropriateness of the trustees use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

H D CURTIS
Registered Auditor
(Registration No : 639206)

31 May 2018

2 Adelaide Road
PLUMSTEAD
7800

THE ASAP FOUNDATION TRUST
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REPORT OF THE TRUSTEES

The trustees hereby submit their annual report on the audited annual financial statements of the trust for the year ended 28 February 2018.

NATURE OF BUSINESS

The objective of the trust is to undertake public benefit activities, and to support other organisations undertaking such activities in order to promote community development for poor and needy persons, including community-based anti-poverty initiatives directed to self-help, empowerment, capacity building, skills development, and the alleviation of rural poverty in South Africa.

FINANCIAL RESULTS

The financial position and operating results of the trust for the year ended 28 February 2018 are adequately reflected in the accompanying annual financial statements and do not in our opinion require any further comment.

EVENTS SUBSEQUENT TO THE YEAR

No material fact or circumstance has occurred between the accounting date and the date of this report which affects the financial position of the trust as reflected in these financial statements.

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.

TRUSTEES

The trustees of the trust at the financial year end are as follows :

S A Crewe (Chairperson)
N P Fischel-Abarbanel
P D Higham
M M Thubisi
A A Titus

REGISTERED, BUSINESS AND POSTAL ADDRESS

160 Sir Lowry Road
Woodstock
Cape Town
7925

AUDITORS

Harry Curtis & Co continued as the company auditors, for the year under review.

Susan Anne Crewe

TRUSTEE

31 May 2018



TRUSTEE

THE ASAP FOUNDATION TRUST
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STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2018</u> <u>R</u>	<u>2017</u> <u>R</u>
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, Plant and Equipment	1	153,883	190,808
		3,489,977	3,160,393
CURRENT ASSETS			
Cash and Cash Equivalents	2	3,464,932	3,078,696
Trade and Other Receivables	3	25,045	81,697
		<u>3,643,860</u>	<u>3,351,201</u>
<u>RESERVES AND LIABILITIES</u>			
CAPITAL AND RESERVES			
Capital		100	100
Accumulated Funds		3,441,587	3,299,518
		202,173	51,583
CURRENT LIABILITIES			
Provisions		-	-
Trade and Other Payables	4	202,173	51,583
		<u>3,643,860</u>	<u>3,351,201</u>

THE ASAP FOUNDATION TRUST

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>Notes</u>	<u>2018</u> <u>R</u>	<u>2017</u> <u>R</u>
INCOME		2,826,166	5,480,824
Grants and Donations Received		2,674,644	5,104,451
Interest Received		151,522	70,258
Recovery of Expenses Allocated to Projects		-	305,004
Surplus on Disposal of Property, Plant and Equipment		-	1,111
EXPENDITURE		2,684,097	3,455,317
Accounting Fees		152,900	179,490
Advertising, Marketing and Website		40,101	38,469
Auditor's Remuneration		28,750	28,500
Bank Charges		6,977	8,979
Computer Expenses		10,973	7,787
Conferences		3,000	133,032
Depreciation		36,925	43,695
Insurance		23,162	16,412
Office Expenses, Teas and Refreshments		6,834	15,060
Printing, Postage and Stationery		4,251	9,238
Professional Fees		-	51,918
Project Expenditure	5	1,973,457	2,494,795
Rent and Security		93,842	115,381
Repairs, Maintenance and Cleaning		8,495	17,837
Salaries and Wages		198,454	133,020
Staff Training, Welfare and Recruitment		31,980	85,595
Subscriptions		6,967	4,743
Telephone and Communications		44,015	39,360
Travel, Motor and Accommodation		6,094	22,330
Utilities		6,920	9,676
NET SURPLUS FOR THE YEAR		142,069	2,025,507
ACCUMULATED FUNDS AT BEGINNING OF YEAR		3,299,518	1,274,011
ACCUMULATED FUNDS AT END OF YEAR		3,441,587	3,299,518

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STATEMENT OF CASH FLOWS

	<u>2018</u> R	<u>2017</u> R
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus for the Year	142,069	2,025,507
Adjustments :	(114,597)	(27,674)
Investment Income	(151,522)	(70,258)
Surplus on Disposal of Property, Plant and Equipment	-	(1,111)
Depreciation - Non Cash Items	36,925	43,695
Working Capital Changes	207,242	(14,636)
Trade and Other Receivables	56,652	24,704
Trade and Other Payables	150,590	(39,340)
Cash Generated from Operating Activities	234,714	1,983,197
Interest Received	151,522	70,258
	<u>386,236</u>	<u>2,053,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on Disposal of Property, Plant and Equipment	-	5,000
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR YEAR	386,236	2,058,455
CASH AND CASH EQUIVALENTS AT BEGIN OF YEAR	3,078,696	1,020,241
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>3,464,932</u>	<u>3,078,696</u>

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ACCOUNTING POLICIES

Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the trust's accounting policies. The financial statements are prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These accounting policies are consistent, in all material respects, with those applied in the previous year.

Recognition of Assets and Liabilities

Assets are recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the trust and the cost or fair value can be measured reliably.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits economic benefits associated with the liability will flow from the trust and the cost or fair value can be measured reliably.

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 :

Computer Equipment	20%
Furniture and Fittings	15%
Motor Vehicles	20%
Office Equipment	15%

Financial Instruments

Financial instruments recognised on the statement of financial position include trade receivables, cash and cash equivalents and trade payables.

Trade and Other Receivables

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance raised is the amount needed to reduce the carrying value to the expected future cash flows.

Cash and Cash Equivalents

Cash comprises cash on hand and deposits on call with banks. Cash equivalents comprise highly liquid investments that are convertible to cash with insignificant risk of changes in value. Cash and cash equivalents are measured at fair value.

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ACCOUNTING POLICIES

Trade and Other Payables

Trade and other payables are measured at fair value.

Revenue Recognition

Grants and donations received as referred to in the statement of income and retained earnings are amounts received from donors during the period together with amounts received in advance in the 2017 financial year pertaining to the 2018 financial year to be expended during the financial year. Monies received in respect of grants for subsequent periods are carried forward to the next financial year.

Interest earned from investments, is recognised on receipt of the investment income from the financial institution.

Taxation

The trust has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(cN) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income, or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 28%. No provision has been made for taxation as the trust had no business or trading income for the year which was not approved.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<u>2018</u> <u>R</u>	<u>2017</u> <u>R</u>		
1. PROPERTY, PLANT AND EQUIPMENT				
	Cost	Accum. Deprec.	Net Book Value	Net Book Value
Computer Equipment	47,588	40,678	6,910	10,366
Furniture and Fittings	63,259	61,286	1,973	7,942
Motor Vehicles	255,000	110,000	145,000	172,500
Office Equipment	37,463	37,463	-	-
	<u>403,310</u>	<u>249,427</u>	<u>153,883</u>	<u>190,808</u>

The Net Book Value of Property, Plant and Equipment is reconciled as follows:

	Net Book Value at Begin. of Year	Additions/ (Disposals)	Depreciation	Net Book Value at End of Year
Computer Equipment	10,366	-	3,456	6,910
Furniture and Fittings	7,942	-	5,969	1,973
Motor Vehicles	172,500	-	27,500	145,000
Office Equipment	-	-	-	-
	<u>190,808</u>	<u>-</u>	<u>36,925</u>	<u>153,883</u>

2. CASH AND CASH EQUIVALENTS

Cash on Hand	3,551	919
Current Account	498,259	958,569
Money Market Account	11,800	107,283
Notice Deposit Account	2,951,322	2,011,925
	<u>3,464,932</u>	<u>3,078,696</u>

3. TRADE AND OTHER RECEIVABLES

Deposits	22,352	18,712
Prepayments	2,693	62,985
	<u>25,045</u>	<u>81,697</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS







(Continued)

	<u>2018</u> <u>R</u>	<u>2017</u> <u>R</u>
4. TRADE AND OTHER PAYABLES		
Accruals	198,867	34,395
Trade Payables	3,306	17,188
	<hr/> <u>202,173</u>	<hr/> <u>51,583</u>
5. PROJECT EXPENDITURE		
ASAP - Cape Town	250,941	95,754
ASAP - Matatiele	215,734	24,869
Baphumelele (Khayelitsha, Western Cape)	159,599	51,440
Fakisandla (Nyanga, Western Cape)	94,263	152,024
Itekeng Batswadi (Matatiele, Eastern Cape)	8,481	203,297
Mamahou (Matatiele, Eastern Cape)	-	978
Mantsele	329,540	429,840
Monument Trust - ED	330,027	481,785
Non-Budgeted Programmes	-	7,380
Nonkqubela	214,510	352,530
Reahsetjhaba	342,960	444,802
Sakhikamva (Matatiele, Eastern Cape)	27,402	250,096
	<hr/> <u>1,973,457</u>	<hr/> <u>2,494,795</u>
6. INCOME TAX		

The trust has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(cN) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income, or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 28%. No provision has been made for taxation as the trust had no business or trading income for the year which was not approved.

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