

**THE ASAP FOUNDATION
(AFRICAN SOLUTIONS TO AFRICAN PROBLEMS)
(Registration No. IT 3548/2004)**

**ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2010**

The following reports and statements are presented in compliance with the Companies Act:

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Approval and statement of responsibility

The trustees of the trust are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual 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 the South African Statement of Generally Accepted Accounting Practice.

The trustees are also responsible for the trust's system of internal financial control. These are 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 and detect material 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 trust has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 4 to 14 are the responsibility of the trustees and have been approved for issue by the Board of Trustees and are signed on their behalf by:

Trustee

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AFRICAN SOLUTION TO AFRICAN PROBLEMS FOUNDATION TRUST

Report on the financial statements

We have audited the annual financial statements of The African Solutions to African Problems Foundation Trust, which comprise the trustees' report, the balance sheet as at 28 February 2010, the income statement, the statement of changes in equity 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 to 14.

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 South African Statements of Generally Accepted Accounting Practice Framework. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 trustees, 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 effects on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material aspects, the financial position of the company at 28 February 2010, and of its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE AFRICAN SOLUTION TO AFRICAN PROBLEMS FOUNDATION TRUST**

Report on other legal and regulatory requirements

With the written consent of all trustees, we have performed certain accounting and secretarial duties.

**Braude, Gordon & Co.
Registered Auditors**

**Per L. Sher
Registered Auditor
Partner**

**Claremont
27 August 2010**

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

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2010

The Trustees have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2010.

General review

The African Solutions to African Problems Foundation Trust is a Trust incorporated in the Republic of South Africa. The principal activities of the Trust are raising funds from abroad, which will be used to establish new Community based Organisations in the Republic of South Africa.

No matter which is material to the financial affairs of the Trust has occurred between 28 February 2010 and the date of approval of the financial statements.

Statements of responsibility

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 South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act.

The Trustees are also responsible for the trust'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 and detect 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.

These financial statements will be presented at the trusts' annual general meeting for the approval of trustees. It is possible that amendments may be required prior to trustee approval being given.

Financial results

The results of the company for the year under review are fully set out in the attached financial statements and require no further comment.

Post balance sheet events

No material fact or circumstance, which requires comment, has occurred between the accounting date and the date of this report.

**THE ASAP FOUNDATION
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TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2010

Trustees

The trustees of the trust during the accounting period and up to the date of this report were as follows:

P. D. Higham
R. Mashale
N. P. Fischel-AbarbaneL (Resigned)
T. P. Ractliffe (Resigned)
F. Jaiyesimi-Njobe
T. M. Zwane
B. Silvano

The business address of the trust is as follows:

17 Hansen Road
Muizenberg Village
Muizenberg
7945
Cape Town

Auditors

Braude, Gordon & Co. will continue in office.

**THE ASAP FOUNDATION
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BALANCE SHEET AT 28 FEBRUARY 2010

	Notes	2010 R	2009 R
ASSETS			
Non-current assets			
Property, plant and equipment	3	164,791	264,606
Loan receivable	4	-	18,000
Current assets			
Trade receivables	5	7,459	14,688
Bank and cash balances	6	847,075	1,656,710
Total assets		<u>1,019,325</u>	<u>1,936,004</u>
EQUITY AND LIABILITIES			
Equity			
Capital Donation	7	100	100
Accumulated funds		961,162	1,910,413
Current liabilities			
Trade and other payables	8	58,063	25,491
Total equity and liabilities		<u>1,019,325</u>	<u>1,936,004</u>

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

**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2010
28 FEBRUARY 2010**

	Notes	2010 R	2009 R
Total Income		2,996,578	4,037,526
Donation income		2,835,267	3,897,884
Interest received		143,311	121,642
Rental income		18,000	18,000
Direct expenditure on projects		3,015,687	2,228,764
Baphumelele (Khayelitsha, Western Cape)		59,525	106,750
Bolata youth (Qwa Qwa, Free State)		155,332	63,376
Fakisandla (Nyanga, Western Cape)		250,867	162,269
Hlomelikusasa (Mount Frere, Eastern Cape)		1,052,300	1,083,852
Ikaheng (Matatiele, Eastern Cape)		36,721	35,712
Itekeng batswadi (Matatiele, Eastern Cape)		291,342	-
Kakaretso (Qwa Qwa, Free State)		646,517	409,738
Mamahou (Matatiele, Eastern Cape)		333,373	39,844
Thandukaphila (Empangeni, Kwa Zulu Natal)		9,116	129,750
Zwelitsha (Mount Fletcher, Eastern Cape)		14,345	27,342
Project management training	10	166,249	170,131
Net (deficit)/income before other expenditure		(19,109)	1,808,762
Operating expenses		930,142	831,711
Accounting fees		-	3,200
Audit fees		23,085	36,030
Bank charges		14,634	16,094
Capital items under R 7,000		13,836	3,391
Cleaning		13,880	17,905
Computer expenses		1,692	4,830
Courier and postage		89	506
Depreciation		81,815	78,143
Fundraising expenses		116,393	192,379
Legal fees		1,140	1,500
Motor vehicle expenses		13,054	9,782
Office insurance		12,967	10,996
Printing and stationery		15,092	20,400
Recruitment fees		-	12,815
Rent paid		77,400	76,350
Repairs and maintenance		-	4,017
Salaries and wages		398,924	239,792
Security		5,353	1,992
Telephone, internet and fax		12,179	37,191
Travel and accommodation		121,229	55,814
Accommodation		36,100	15,495
Flights		46,641	18,375
Car rental		32,649	18,092
Subsistence		5,839	3,852
Utilities		7,380	8,584
Net (deficit) / income for the year transferred to the capital account		(949,251)	977,051

**THE ASAP FOUNDATION
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STATEMENT OF CHANGES IN CAPITAL FOR THE YEAR ENDED 28 FEBRUARY 2010

	Capital Donation R	Accumulated funds R	Total R
Balance at 28 February 2008	100	933,362	933,462
Net income for the year	-	977,051	977,051
Balance at 29 February 2009	100	1,910,413	1,910,513
Net deficit for the year	-	(949,251)	(949,251)
Balance at 28 February 2010	100	961,162	961,262

**THE ASAP FOUNDATION
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CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2010

	Notes	2010 R	2009 R
Net cash withdrawn from / retained in operating activities		(827,635)	1,087,519
Cash receipts from customers		2,842,496	3,907,081
Cash paid to suppliers and employees		(3,831,442)	(2,959,204)
Cash generated from operating activities	9.1	(988,946)	947,877
Sundry income		161,311	139,642
Cash flows from investing activities		18,000	(38,537)
Purchase of property, plant and equipment		-	(38,537)
To increase operating capacity		-	(38,537)
Repayments of loans receivable		18,000	-
Net decrease / increase in cash & cash equivalents		(809,635)	1,048,982
Cash and cash equivalents at beginning of the year		1,656,710	607,728
Cash and cash equivalents at end of the year	9.2	847,075	1,656,710

**THE ASAP FOUNDATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2010**

1. General information

The ASAP Foundation is a Trust, incorporated in South Africa. Its principal business activity is undertaking public benefit activities which promote development for the poor and needy persons in rural communities in Southern Africa.

2. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies of the Trust, are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Property, plant and equipment

Property, plant and equipment are tangible assets that:

- (a) are held for use for administrative purposes, and
- (b) are expected to be used during more than one period.

Items of property plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date.

Expenditure on additions and improvements to property, plant and equipment including the cost of related interest is capitalised as the expenditure is incurred.

Subsequent to initial recognition, items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to profit or loss 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:

	Useful life
Office equipment	6 years
Motor vehicles	4 years
Furniture and fittings	6 years

The residual values, useful lives and economic consumption patterns for all items of property, plant and equipment are regularly reviewed and, if necessary, the consequent depreciable amounts, rates and methods are adjusted at each balance sheet date.

Gains or losses on disposal are calculated by deducting the carrying value from the proceeds on the date of disposal and are included in profit or loss.

Revenue

Revenue represent donations received from overseas Public Benefit Organisations.

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
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2010**

Comparative figures

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

**THE ASAP FOUNDATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2010**

3. Property, plant and equipment

	2010			2009		
	Cost	Accum. deprec.	Carrying value	Cost	Accum. Deprec.	Carrying value
	R	R	R	R	R	R
Office equipment	46,706	(15,929)	30,777	46,706	(8,923)	37,783
Motor vehicles	272,140	(164,811)	107,329	272,140	(96,776)	175,364
Furniture and fittings	45,160	(18,475)	26,685	45,160	(11,701)	33,459
	<u>364,006</u>	<u>(199,215)</u>	<u>164,791</u>	<u>364,006</u>	<u>(117,400)</u>	<u>246,606</u>

The carrying amounts for 2009 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Other	Disposals	Deprec.	Carrying value at end of year
	R	R	R	R	R	R
	Office equipment	18,953	23,460	-	-	(4,630)
Motor vehicles	243,399	-	-	-	(68,035)	175,364
Furniture and fittings	23,861	15,077	-	-	(5,479)	33,459
	<u>286,213</u>	<u>38,537</u>	<u>-</u>	<u>-</u>	<u>(78,144)</u>	<u>246,606</u>

The carrying amounts for 2010 can be reconciled as follows:

	Carrying value at beginning of year	Additions	Other	Disposals	Deprec.	Carrying value at end of year
	R	R	R	R	R	R
	Office equipment	37,783	-	-	-	(7,006)
Motor vehicles	175,364	-	-	-	(68,035)	107,329
Furniture and fittings	33,459	-	-	-	(6,774)	26,685
	<u>246,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,815)</u>	<u>164,791</u>

4. Loan receivable

Priscilla Higham

	2010 R	2009 R
Balance at beginning of year	18,000	18,000
Advances	-	18,000
Repayments	(18,000)	(18,000)
Balance at end of year	<u>-</u>	<u>18,000</u>

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

**THE ASAP FOUNDATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2010**

	2010	2009
	R	R
5. Trade receivables		
Sundry debtors	6,359	13,588
Deposits	1,100	1,100
	<u>7,459</u>	<u>14,688</u>
<p>The trustees consider that the carrying amount of trade and other receivables approximates their fair value.</p>		
6. Bank and cash balances		
<p>Bank and cash balances at year end comprise:</p>		
Cash on hand	700	16
FNB Current Account	71,608	217,309
RMB money market	774,767	1,439,385
	<u>847,075</u>	<u>1,656,710</u>
<p>Cash and cash equivalents consist of cash on hand and balances with bank investments in money market instruments.</p>		
7. Capital Donation		
Initial Donation	<u>100</u>	<u>100</u>
8. Trade and other payables		
Sundry accruals	<u>58,063</u>	<u>25,491</u>
9. Notes to the cash flow statement		
9.1 Reconciliation of net profit before taxation to cashflows from operations		
Net (deficit)/income before taxation	(949,251)	977,051
Adjustments for :		
Depreciation	81,815	78,143
Sundry income	(161,311)	(139,642)
Operating (deficit)/ income before working capital changes	<u>(1,028,747)</u>	<u>915,552</u>
Working capital changes		
Decrease in trade receivables	7,229	9,197
Increase / (decrease) in trade and other payables	32,572	23,128
Cash generated from operations	<u>(988,946)</u>	<u>947,877</u>
9.2 Cash and cash equivalents		
<p>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:</p>		
Bank and cash balances	<u>847,075</u>	<u>1,656,710</u>
	<u>847,075</u>	<u>1,656,710</u>

**THE ASAP FOUNDATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2010**

	2010	2009
	R	R
10. Project Training		
Leadership Conference	-	37,902
NPO Management Coaching	151,649	53,398
Art Therapy	-	6,938
Strategy Planning and Development	-	71,893
Youth training	14,600	-
	<u>166,249</u>	<u>170,131</u>
11. Trustees Remuneration		
P. D.Higham	<u>130,000</u>	<u>120,000</u>
12. Taxation		

No provision has been made for taxation as the trust is a Non Profit Company in terms of the Income Tax Act.