

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

**ANNUAL FINANCIAL STATEMENTS
28 FEBRUARY 2009**

The following reports and statements are presented in compliance with the South African Statement of Generally Accepted Accounting Practice:

	Pages
Independent auditor's report	2 - 3
Report of the trustee's	3 - 4
Balance sheet	6
Income statement	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the annual financial statements	10 - 14

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 3 to 14 are the responsibility of the directors and have been approved for issue by the Board of Trustees and are signed on their behalf by:

Trustee

17-Jul-09

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AFRICAN SOLUTIONS 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 2009, 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 3 to 14.

Directors' responsibility for the financial statements

The trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practices. 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

Except as discussed in the following paragraph, we conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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 trust at 28 February 2009, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

Braude Gordon & Co

Registered Auditors

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

Claremont
Friday, July 17, 2009

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2009

The trustees have pleasure in submitting their report together with the audited annual financial statements for the year ended 28 February 2009.

General review

The African Solutions to African Problems Foundation Trust is registered 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 company has occurred between 28 February 2009 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 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 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 shareholders. It is possible that amendments may be required prior to shareholder 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 AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2009

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
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 AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

BALANCE SHEET AT 28 FEBRUARY 2009

	Notes	2009 R	2008 R
ASSETS			
Non-current assets			
Property, plant and equipment	3	246,606	286,213
Current assets			
Trade receivables	5	14,688	23,885
Loan receivable	4	18,000	18,000
Bank and cash balances	6	1,656,710	607,732
Total assets		<u>1,936,004</u>	<u>935,830</u>
CAPITAL AND LIABILITIES			
Equity			
Capital Donation	7	100	100
Accumulated funds		1,910,410	933,363
Current liabilities			
Trade and other payables	8	25,494	2,367
Total capital and liabilities		<u>1,936,004</u>	<u>935,830</u>

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

DETAILED INCOME STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2009

	Notes	2009 R	2008 R
Total Income		4,037,526	1,392,125
Donation Income		3,897,884	1,227,924
Car rental recovery		-	42,858
Interest Received		121,642	103,343
Rental income		18,000	18,000
Direct expenditure on projects		2,228,764	2,066,880
Baphumelele		106,750	-
Bolata Youth		63,376	57,721
Etafeni		162,269	141,571
Hlomelikusasa		1,083,852	726,399
Ikaheng		35,712	-
Kakaretso		409,738	448,260
Mamahou		39,844	-
Project Training	10	170,131	310,319
Thandukaphila		129,750	363,504
Zwelitsha		27,342	19,106
Net income/(deficit) before other expenditure		1,808,762	(674,755)
Operating expenses		831,715	481,257
Accounting fees		3,200	1,200
Administrative Fees		-	171
Advertising		-	10,483
Audit Fees			
current year		21,005	11,431
prior year		15,025	-
Bank Charges		16,098	5,356
Capital items under R5,000		3,391	-
Cleaning		17,905	-
Computer expenses		4,830	5,300
Courier & Postage		506	1,110
Depreciation		78,143	36,740
Fundraising Expenses		192,379	14,469
Insurance		10,996	14,301
Legal Fees		1,500	6,315
Motor Vehicle Expenses		9,782	5,422
Printing and stationery		20,400	16,722
Recruitment Fees		12,815	-
Rent Paid		76,350	69,300
Repairs & Maintenance		4,017	-
Salaries and wages		239,792	176,041
Secretarial fees		-	820
Security		1,992	348
Staff Training		-	23,404
Subscriptions		-	248
Telephone & Fax		37,191	32,243
Travel & accommodation		55,814	39,556
Accommodation		15,495	19,415
Flights		18,375	14,007
Car Rental		18,092	-
Subsistence		3,852	6,134
Utilities		8,584	10,277
Net income / (deficit) for the year transferred to the capital account		977,047	(1,156,012)

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

STATEMENT OF CHANGES IN CAPITAL FOR THE YEAR ENDED 28 FEBRUARY 2009

	Capital Donation R	Accumulated funds R	Total R
Balance at 28 February 2007	100	2,089,375	2,089,475
Net loss for the year	-	(1,156,012)	(1,156,012)
Balance at 29 February 2008	100	933,363	933,463
Net profit for the year	-	977,047	977,047
Balance at 28 February 2009	100	1,910,410	1,910,510

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2009

	Notes	2009 R	2008 R
Net cash retained in / withdrawn from operating activities		1,087,515	(1,065,899)
Cash receipts from donors		3,907,081	1,303,447
Cash paid to suppliers and employees		(2,959,208)	(2,472,689)
Cash generated from operating activities	9.1	947,873	(1,169,242)
Sundry income		139,642	103,343
Cash flows from investing activities		(38,537)	(272,140)
Purchase of property, plant and equipment	9.2	(38,537)	(272,140)
To increase operating capacity		(38,537)	(272,140)
Net increase / decrease in cash & cash equivalents		1,048,978	(1,338,039)
Cash and cash equivalents at beginning of year		607,732	1,945,771
Cash and cash equivalents at end of year	9.3	1,656,710	607,732

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2009

1. General information

The African Solutions to African Problems Foundation Trust is a trust, registered in South Africa. Its principal business activity is undertaking public benefit activities which promote development for poor and needy persons in rural communities in South 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 useful lives are used for the depreciation of property, plant and equipment:

	Useful life
Furniture and fittings	6 years
Motor vehicles	4 years
Office equipment	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 represents donations received from overseas based Public Benefit Organisations.

Cash flows

For the purposes of the cash flow statement, cash includes cash on hand, deposits held on call with banks and investments in money market instruments.

Comparative figures

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

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2009

3. Property, plant and equipment

	2009			2008		
	Cost R	Accum. Depreciation R	Carrying value R	Cost R	Accum. Depreciation R	Carrying value R
Office equipment	46,706	(8,923)	37,783	23,246	(4,293)	18,953
Motor vehicles	272,140	(96,776)	175,364	272,140	(28,741)	243,399
Furniture and fittings	45,160	(11,701)	33,459	30,083	(6,222)	23,861
	<u>364,006</u>	<u>(117,400)</u>	<u>246,606</u>	<u>325,469</u>	<u>(39,256)</u>	<u>286,213</u>

The carrying amounts for 2008 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
Office equipment	22,440	-	-	-	(3,487)	18,953
Motor vehicles	-	272,140	-	-	(28,741)	243,399
Furniture and fittings	28,373	-	-	-	(4,512)	23,861
	<u>50,813</u>	<u>272,140</u>	<u>-</u>	<u>-</u>	<u>(36,740)</u>	<u>286,213</u>

The carrying amounts for 2009 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
Office equipment	18,953	23,460	-	-	(4,630)	37,783
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>

4. Loan receivable

Priscilla Higham

	2009 R	2008 R
Balance at beginning of year	18,000	-
Advances	18,000	18,000
Repayments	(18,000)	-
Balance at end of year	<u>18,000</u>	<u>18,000</u>

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

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2009

	2009 R	2008 R
5. Trade receivables		
Deposit	1,100	1,100
Interest receivable	13,588	-
The Charities Trust	-	22,785
	<u>14,688</u>	<u>23,885</u>

The trustees consider that the carrying amount of trade receivables approximates their fair value.

6. Bank and cash balances

Bank and cash balances at year end comprise:

Cash on hand	16	218
FNB Current Account	217,309	23,671
FNB Money Market	-	360,359
RMB Money Market	1,439,385	223,484
	<u>1,656,710</u>	<u>607,732</u>

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

7. Capital Donation

Initial Donation	<u>100</u>	<u>100</u>
------------------	------------	------------

8. Trade and other payables

Sundry accruals	<u>25,494</u>	<u>2,367</u>
-----------------	---------------	--------------

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2009

9. Notes to the cash flow statement

9.1 Reconciliation of net profit before taxation to cashflows from operations

Net profit/(loss) before taxation	977,047	(1,156,012)
Adjustments for :		
Depreciation	78,143	36,740
Sundry income	(139,642)	(103,343)
Operating profit before working capital changes	<u>915,548</u>	<u>(1,222,615)</u>
Working capital changes		
Decrease in trade receivables	9,197	74,423
Increase in trade and other payables	23,128	(21,050)
Cash generated from operations	<u>947,873</u>	<u>(1,169,242)</u>

9.2 Property, plant and equipment

During the period, the trust acquired property, plant and equipment with a cost of R38,537. Cash payments of R38,537 were made to purchase property, plant and equipment.

9.3 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:

Bank and cash balances	<u>1,656,710</u>	<u>607,732</u>
------------------------	------------------	----------------

THE AFRICAN SOLUTIONS TO AFRICAN PROBLEMS FOUNDATION TRUST

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2009

	2009 R	2008 R
10. Project Training		
Leadership Conference	37,902	-
NPO Management Coaching	53,398	-
Art Therapy	6,938	-
Strategy Planning and Development	71,893	-
Food & Trees for Africa	-	102,843
NACCW	-	207,476
	<u>170,131</u>	<u>310,319</u>
11. Trustees remuneration		
P. Higham		
Services as a Trustee	-	-
Other	120,000	75,240
	<u>120,000</u>	<u>75,240</u>
12. Taxation		

No provision has been made for taxation as the trust is registered as a Non profit organisation in terms of Act 71 of 1997