

**THE SOUTH AFRICAN INSTITUTE
FOR ADVANCEMENT TRUST
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
General Information

Country of incorporation and domicile	South Africa
Trustees	R Ally Z Barends N Daniels N Dlamini I Noko
Registered office	Mazars House Rialto Road Grand Moorings Precinct Century City 7441
Bankers	Nedbank, a division of Nedcor Bank Limited
Auditor	Mazars Registered Auditor
Masters reference number	IT 2285/2002

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Index

The reports and statements set out below comprise the annual financial statements presented to the trustees:

Index	Page
Independent Auditor's Report	3 - 5
Trustees' Responsibilities and Approval	6
Trustees' Report	7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12
Notes to the Annual Financial Statements	13 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	17

INDEPENDENT AUDITOR'S REPORT

To the trustees of The South African Institute for Advancement Trust

Opinion

We have audited the annual financial statements of The South African Institute for Advancement Trust set out on pages 8 to 16, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African Institute for Advancement 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual 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), together with the ethical requirements that are relevant to our audit of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without modifying our opinion, we draw attention to note 1 which describes the basis of accounting. The annual financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trustees. As a result, the annual financial statements may not be suitable for another purpose.

Other information

The trustees are responsible for the other information. The other information comprises the Trustees' Report on page 7 and supplementary information indicated on page 17. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the trustees for the Annual Financial Statements

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

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 taken on the basis of these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 trust'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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

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.

Mazars

Mazars
Partner: Jean Wessels
Registered Auditor
07 June 2018
Cape Town

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 and cash flows for the period then ended, in conformity with the trust's accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the trust's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 trustees 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 the trustees, 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.

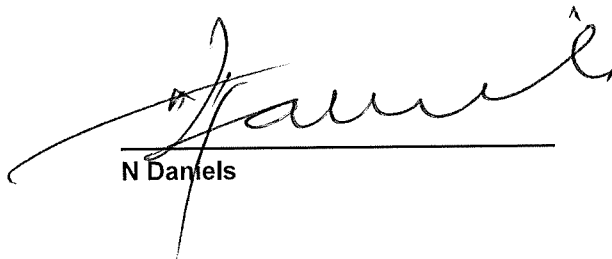
The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditor and their report is presented on pages 3 - 5.

The annual financial statements and supplementary information set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the trustees on 07 June 2018 and were signed on its behalf by:



Z Barends



N Daniels

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Trustees' Report

The trustees submit their report for the year ended 28 February 2018.

1. Review of activities

Main business and operations

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The trust carries on the business of developing and training similar organisations to obtain funding.

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 the reporting period

The trustees are not aware of any material reportable event which occurred after the reporting date and up to the date of this report.

4. Trustees

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

Trustees

R Ally

Z Barends

N Daniels

N Dlamini

I Noko

L Ntsebeza (Resigned 2 March 2017)

5. Auditors

Mazars will continue in office for the next financial year.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Statement of Financial Position as at 28 February 2018

Figures in Rand	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	-
Investments	3	26,862,677	22,706,755
		<u>26,862,677</u>	<u>22,706,755</u>
Current Assets			
Trade and other receivables	4	348,691	321,571
Cash and cash equivalents	5	32,568,893	36,415,217
		<u>32,917,584</u>	<u>36,736,788</u>
Total Assets		<u>59,780,261</u>	<u>59,443,543</u>
Equity and Liabilities			
Equity			
Trust capital	6	100	100
General reserve	7	53,647,168	51,058,885
Distributable reserve (Designated funds)		5,715,759	6,519,877
		<u>59,363,027</u>	<u>57,578,862</u>
Liabilities			
Current Liabilities			
Trade and other payables	8	417,234	1,864,681
Total Equity and Liabilities		<u>59,780,261</u>	<u>59,443,543</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Statement of Comprehensive Income

Figures in Rand	Notes	2018	2017
Revenue (Note 1- refer below)	9	10,046,667	14,137,169
Other income		1,625,700	1,437,231
Operating expenses		(13,777,251)	(12,232,403)
Operating (deficit) surplus		(2,104,884)	3,341,997
Investment revenue	11	3,371,114	4,062,057
Fair value adjustment		517,935	318,219
Surplus for the year (Note 2 - refer below)		1,784,165	7,722,273

Note 1: The grant income figure for 2017 included a figure of R 1,655,000 received from the National Lotteries Board related to grant agreement #75216.

Note 2: The fluctuation of the rand, timing of grant payments and a change in grant income, together with the delivery of certain pieces of programme work after funds were receipted, contributed to the unusually high surplus in the 2016/17 financial year.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Statement of Changes in Equity

	Trust capital	General reserve	Distributable reserve (Designated funds)	Total equity
Figures in Rand				
Balance at 01 March 2016	100	42,962,344	7,017,697	49,980,141
Surplus for the year	-	-	7,722,273	7,722,273
Transfer to general reserve	-	8,220,093	(8,220,093)	-
Land and buildings write-off	-	(123,552)	-	(123,552)
Total changes	-	8,096,541	(497,820)	7,598,721
Balance at 01 March 2017	100	51,058,885	6,519,877	57,578,862
Surplus for the year	-	-	1,784,165	1,784,165
Transfer to general reserve	-	2,588,283	(2,588,283)	-
Total changes	-	2,588,283	-	2,588,283
Balance at 28 February 2018	100	53,647,168	5,715,759	59,363,027
Notes	6	7		

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Statement of Cash Flows

Figures in Rand	Notes	2018	2017
Cash flows from operating activities			
Cash used in operations	12	(3,788,254)	(5,372,561)
Interest income		2,614,497	3,370,980
Dividends received		756,617	691,077
Net cash from operating activities		(417,140)	(1,310,504)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(107,006)	(193,729)
Purchase of investments		(5,451,047)	(4,278,713)
Proceeds on disposal of investments		2,128,869	3,255,992
Net cash from investing activities		(3,429,184)	(1,216,450)
Total cash movement for the year		(3,846,324)	(2,526,954)
Cash at the beginning of the year		36,415,217	38,942,171
Total cash at end of the year	5	32,568,893	36,415,217

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the trust's accounting policies as described below. The annual financial statements have been prepared using a combination of the historical cost basis and fair value basis of accounting. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

All Property, plant and equipment are initially recognised at cost and subsequently written off in full in the year in which it is brought into use.

1.2 Investments

Investments are recognised and derecognised on a trade date basis when investments are acquired and disposed of.

Investments are measured initially at cost and subsequently at fair value.

Gains and losses arising from changes in the fair value of investments are included in surplus or deficits for the year.

1.3 Trade and other receivables

Trade and other receivables are recognised and carried at the original invoice amount.

1.4 Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

1.5 Revenue

Revenue is recognised once donations and grants have been received.

Interest is recognised, in profit or loss, using the effective interest method.

Dividends are recognised, in profit or loss, when the trust's right to receive payment has been established.

1.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits. These are initially and subsequently recorded on the historical cost basis.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation/ Land and buildings write-off	Carrying value	Cost	Accumulated depreciation/ Land and buildings write-off	Carrying value
Audiovisual equipment	221,002	(221,002)	-	221,002	(221,002)	-
Buildings	16,160,830	(16,160,830)	-	16,160,830	(16,160,830)	-
Computer equipment	1,007,203	(1,007,203)	-	981,780	(981,780)	-
Furniture and fittings	1,913,932	(1,913,932)	-	1,832,349	(1,832,349)	-
Office equipment	172,585	(172,585)	-	172,585	(172,585)	-
Telephone equipment	214,709	(214,709)	-	214,709	(214,709)	-
Total	19,690,261	(19,690,261)	-	19,583,255	(19,583,255)	-

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Computer equipment	-	25,423	(25,423)	-
Furniture and fittings	-	81,583	(81,583)	-
	-	107,006	(107,006)	-

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Land and buildings write-off	Total
Audiovisual equipment	-	32,959	(32,959)	-	-
Buildings	-	123,552	-	(123,552)	-
Furniture and fittings	-	37,218	(37,218)	-	-
	-	193,729	(70,177)	(123,552)	-

3. Investments

At fair value through surplus or deficit for the year

Listed shares at market value	26,862,677	22,706,755
-------------------------------	------------	------------

The shares are shown at market values with the profit or loss taken to the statement of comprehensive income.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
4. Trade and other receivables		
VAT	126,672	73,094
Accrued income on investments - received March	222,019	248,477
	<u>348,691</u>	<u>321,571</u>
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,216	1,336
Bank balances	32,567,677	36,413,881
	<u>32,568,893</u>	<u>36,415,217</u>
6. Trust capital		
Capital account		
Initial donation	<u>100</u>	<u>100</u>
7. General reserve		
Balance at beginning of year	51,058,885	42,962,344
Movement during the year	2,588,283	8,220,093
Land and buildings write-off	-	(123,552)
	<u>53,647,168</u>	<u>51,058,885</u>
Comprising:		
General reserve	53,348,643	50,614,088
Portion of trading VAT refund in reserves	298,525	444,797
	<u>53,647,168</u>	<u>51,058,885</u>
8. Trade and other payables		
Accrued leave pay	172,530	233,516
Amounts received in advance (refer note below)	-	1,550,738
Deposits received	19,857	16,160
Other accrued expenses	224,847	64,267
	<u>417,234</u>	<u>1,864,681</u>

Amounts received in advance:

Amounts received in advance relating to grant programmes for the 2018 financial year were R1,550,738.

9. Revenue

Grants received (Note 1- refer below)	<u>10,046,667</u>	<u>14,137,169</u>
---------------------------------------	-------------------	-------------------

Note 1: The Grant income figure for 2017 included a figure of R 1,655,000 received from the National Lotteries Board related to grant agreement #75216.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
10. Grants received		
Current projects	10,046,667	11,178,145
Future projects	-	2,959,024
	<u>10,046,667</u>	<u>14,137,169</u>
11. Investment revenue		
Dividend revenue		
Dividends received from listed companies	756,617	691,077
Interest revenue		
Interest received	2,614,497	3,370,980
	<u>3,371,114</u>	<u>4,062,057</u>
12. Cash used in operations		
Surplus for the year	1,784,165	7,722,273
Adjustments for:		
Depreciation	107,006	70,177
Profit on disposal of investments	(315,808)	(496,229)
Dividends received	(756,617)	(691,077)
Interest received	(2,614,497)	(3,370,980)
Fair value adjustments to investments	(517,935)	(318,219)
Changes in working capital:		
Trade and other receivables	(27,121)	55,624
Trade and other payables - Note 1 below	(1,447,447)	(8,344,130)
	<u>(3,788,254)</u>	<u>(5,372,561)</u>

Note 1: The 2017 trade and other payables figure includes amounts received in advance of R 1,550,738 described per Note 8 - Trade and other payables.

13. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	69,681	111,239
- in second and third years inclusive	100,365	-
	<u>170,046</u>	<u>111,239</u>

Operating lease payments represents rentals payable by the trust for equipment and plants. The leases are escalated at various rates and are negotiated for periods between one and three years.

Consulting contracts

Minimum payments due

- within one year	376,881	155,131
-------------------	---------	---------

Consulting contracts represent consulting fees payable by the trust for consulting services. The contracts are renewed on an annual basis at rates agreed upon between the trust and the service provider.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Notes to the Annual Financial Statements

Figures in Rand	2018	2017
------------------------	-------------	-------------

14. Tax

No provision has been made for taxation as the trust is exempt from payment of Income Tax. The trust is an approved public benefit organisation in terms of Section 10(1)(cN) of the Income Tax Act.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
Trading as The South African Institute for Advancement Trust
Annual Financial Statements for the year ended 28 February 2018
Detailed Income Statement

Figures in Rand	Notes	2018	2017
Revenue			
Grants Received (Note 1 - refer to page 9)		10,046,667	14,137,169
	9	<u>10,046,667</u>	<u>14,137,169</u>
Other income			
Cost recovery fees		<u>1,309,892</u>	<u>941,002</u>
Operating expenses			
Advertising, promotions, marketing and publications		446,768	430,892
Audit and accounting fees		195,736	216,200
Bank and portfolio management charges		291,182	265,725
Cleaning		155,373	146,941
Database		110,181	103,656
Depreciation		107,006	70,177
Dissemination and exchange of learning		261,962	296,146
General expenses		10,180	12,821
Hire of equipment		153,495	139,246
Insurance		67,210	67,210
Lease rentals, rates and levies		261,581	301,168
Printing, stationery, postage and office supplies		185,623	171,340
Professional and legal fees		549,036	511,570
Programmes and projects		3,267,286	1,970,546
Repairs and maintenance		121,315	138,072
Resource centre and material		12,880	52,764
Salaries		5,944,425	5,980,727
Service providers and consultants		536,333	391,193
Staff and organisational development		439,266	280,712
Telecommunication		59,824	63,176
Travel - international and local		519,738	544,048
Website development and internet		80,851	78,074
		<u>13,777,251</u>	<u>12,232,404</u>
Operating (deficit) surplus		(2,420,692)	2,845,767
Investment income			
Dividends received		756,617	691,077
Interest received		2,614,497	3,370,980
Fair value adjustments		517,935	318,219
Profit on disposal of investments		315,808	496,230
		<u>4,204,857</u>	<u>4,876,506</u>
Surplus for the year (Note 2 - refer to page 9)		<u>1,784,165</u>	<u>7,722,273</u>