

**THE SOUTH AFRICAN INSTITUTE FOR
ADVANCEMENT TRUST**
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2010

Trustees

M Soko
S F Gastrow
L Kaunda
G J Lundy
M I Surve
Z Barends
L Ntsebeza

Registered office

Mazars House
Rialto Road, Grand Moorings Precinct
Century City
7441

Bankers

Nedbank, a division of Nedcor Bank Limited

Auditors

Mazars
Cape Town

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
FINANCIAL STATEMENTS
for the year ended 28 February 2010

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

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Approval of the annual financial statements

The financial statements which appear on pages 4 to 14 were approved by the trustees on 05 May 2010 and signed on their behalf by:



M Soko



S F Gastrow

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF THE SOUTH
AFRICAN INSTITUTE FOR ADVANCEMENT
TRUST**

We have audited the annual financial statements of The South African Institute for Advancement 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 13.

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 1 and in the manner required by the Trust Deed. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 judgment, 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 trust'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 trust'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.

The trust's policy is to prepare the financial statements on the basis of accounting as set out in Note 1 to the financial statements.

Opinion

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Emphasis

Without qualifying our opinion, we emphasise that the basis of accounting and the presentation and disclosures contained in the financial statements are not intended to, and do not, comply with all the requirements of South African Statements of Generally Accepted Accounting Practice.

Supplementary information

The supplementary schedule set out on page 14 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.



MAZARS

Partner: David Resnick

Registered Auditor

05 May 2010

Cape Town

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
REPORT OF THE TRUSTEES
for the year ended 28 February 2010

The trustees present their report for the year ended 28 February 2010. This report forms part of the audited financial statements.

1. General review

The trust's business and operations and the results thereof are clearly reflected in the attached financial statements.

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

2. 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 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 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.

3. Property, plant and equipment

There have been no major changes in the property, plant and equipment during the period or any changes in the policy relating to their use.

4. Events subsequent to year end

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

5. Trustees

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

M Soko
S F Gastrow
L Kaunda
G J Lundy
M I Surve
Z Barends
L Ntsebeza

6. Auditors

Mazars will continue in office for the next financial period.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 BALANCE SHEET
 as at 28 February 2010

		2010 R	2009 R
Assets			
Non-current asset			
Investments	3	5,165,898	3,874,340
		23,878,257	17,765,299
Current assets			
Trade and other receivables	4	123,807	114,605
Cash and cash equivalents	10.2	23,754,450	17,650,694
Total assets		<u>29,044,155</u>	<u>21,639,639</u>
Equity and liabilities			
Capital and reserves		29,023,107	21,626,810
Trust capital	5	100	100
General reserve		17,291,222	11,959,202
Distributable reserve		11,731,785	9,667,508
Current liability			
Trade and other payables	6	21,048	12,829
Total equity and liabilities		<u>29,044,155</u>	<u>21,639,639</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 INCOME STATEMENT
 for the year ended 28 February 2010

	Note	2010 R	2009 R
Gross revenue		15,194,412	17,856,587
Other income		3,043,878	1,882,560
Operating costs		<u>(12,580,195)</u>	<u>(13,673,202)</u>
Operating surplus		5,658,095	6,065,945
Investment income	8	<u>1,738,202</u>	<u>1,695,646</u>
Surplus for the year		<u><u>7,396,297</u></u>	<u><u>7,761,591</u></u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 STATEMENT OF CHANGES IN EQUITY
 for the year ended 28 February 2010

	Trust capital R	General reserve R	Accumulated profit R	Total R
Balance at 01 March 2008	100	8,910,325	4,954,794	13,865,219
Surplus for the year		-	7,761,591	7,761,591
Transfer to General Reserve		3,048,877	(3,048,877)	-
Balance at 01 March 2009	100	11,959,202	9,667,508	21,626,810
Surplus for the year		-	7,396,297	7,396,297
Transfer to General Reserve		5,332,020	(5,332,020)	-
Balance at 28 February 2010	100	17,291,222	11,731,785	29,023,107

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 CASH FLOW STATEMENT
 for the year ended 28 February 2010

	Notes	2010 R	2009 R
Cash flows from operating activities		6,432,361	9,187,414
Cash generated by operating activities	10.1	4,694,159	7,491,768
Investment income		1,519,945	1,476,580
Dividends received		218,257	219,066
Cash flows from investing activities		(328,605)	(2,116,479)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(20,855)	(490,885)
Proceeds of disposals of investments		406,373	22,556
<i>Expenditure for expansion</i>			
Investments		(714,123)	(1,648,150)
Increase in cash and cash equivalents		6,103,756	7,070,935
Cash and cash equivalents at beginning of the year	10.2	17,650,694	10,579,759
Cash and cash equivalents at end of the year	10.2	23,754,450	17,650,694

1. Basis of preparation

The financial statements are prepared in accordance with the basis of accounting described below. The financial statements are prepared using a combination of the historical cost method and the fair value basis of accounting.

Unless otherwise specifically stated, this basis is consistent with that of the previous year.

1.1 Revenue recognition

Revenue is recognised once donations and grants have been received.

1.2 Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially at cost and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

1.3 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. All assets are written off in full in the year of purchase.

1.4 Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

1.5 Trade and other receivables

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

1.6 Trade payables

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

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 at 28 February 2010

2. Property, plant and equipment

	Cost R	2010 Accumulated depreciation R	Carrying value R	Cost R	2009 Accumulated depreciation R	Carrying value R
<i>Owned assets</i>						
Audiovisual equipment	175,935	175,935	-	164,226	164,226	-
Furniture and fittings	1,031,649	1,031,649	-	1,026,853	1,026,853	-
Telephone equipment	62,075	62,075	-	59,414	59,414	-
Office equipment	69,967	69,967	-	69,967	69,967	-
Computer equipment	541,138	541,138	-	539,449	539,449	-
Computer software	38,264	38,264	-	38,264	38,264	-
	<u>1,919,028</u>	<u>1,919,028</u>	<u>-</u>	<u>1,898,173</u>	<u>1,898,173</u>	<u>-</u>

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

2009	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
<i>Owned assets</i>				
Audiovisual equipment	-	68,048	(68,048)	-
Furniture and fittings	-	260,097	(260,097)	-
Computer equipment	-	162,740	(162,740)	-
	<u>-</u>	<u>490,885</u>	<u>490,885</u>	<u>-</u>

2010	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
<i>Owned assets</i>				
Audiovisual equipment	-	11,709	(11,709)	-
Furniture and fittings	-	4,796	(4,796)	-
Telephone equipment	-	2,661	(2,661)	-
Computer equipment	-	1,689	(1,689)	-
	<u>-</u>	<u>20,855</u>	<u>(20,855)</u>	<u>-</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 at 28 February 2010

			2010	2009
			R	R
3. Investments				
Listed shares at market value			<u>5,165,898</u>	<u>3,874,340</u>
The trust held investments in the following companies:				
	<i>Number of shares</i>			
	2010	2009		
<i>Listed</i>				
Anglo Platinum Ltd	150	400	107,175	154,348
Anglos PLC	1,300	1,300	359,450	183,664
Aveng Ltd	1,754	1,754	65,600	45,165
Billiton PLC	1,500	1,500	346,575	234,600
Firststrand Ltd	5,000	5,000	90,950	60,250
Goldfields Ltd	1,500	1,500	133,275	156,750
Liberty International PLC	1,200	1,200	66,240	57,600
Massmart Holdings Ltd	600	1,000	55,026	72,400
Pick 'n Pay Holdings Ltd	3,000	3,000	50,400	39,300
Remgro Ltd	1,800	300	162,000	19,890
SABMiller PLC	700	700	138,600	100,800
Sasol Ltd	500	300	140,975	75,600
Standard Bank Ltd	1,200	1,022	128,952	66,430
PPC Cement	3,243	3,243	105,398	96,317
Tiger Brands	300	300	52,800	37,950
City Lodge	1,000	1,000	78,000	62,690
Impala Plats	300	-	56,355	-
ABSA Bank Ltd Pref's	300	300	271,500	261,870
FirstRand B Pref's	3,000	3,000	280,530	252,000
Nedbank Pref's	30,000	30,000	327,000	301,500
Standard Bank Pref's	3,000	3,000	313,500	297,000
Kumba Iron Ore Ltd	-	600	-	96,600
WBH-Ovcon	200	200	21,692	17,000
Compagnie Financiere				
Richemont	2,000	2,000	51,100	26,800
British American Tobacco	600	234	156,000	59,728
Adcock Ingram Holdings				
Ltd	-	300	-	11,478
Truworhts Ltd	1,000	1,000	49,440	31,140
RMBH	1,000	1,000	29,390	19,250
Reinet Investments SCA	3,000	825	35,550	7,590
Venfin Limited	3,000	3,000	39,780	49,500
First Rand Perpetual	200,000	200,000	200,020	200,119
Growth Point	14,500	8,500	210,975	114,325
Hyprop	4,000	3,000	199,960	117,900
Redefine	26,000	20,000	197,080	135,400
Fountainhead Property Trust	20,000	10,000	131,600	54,900
MTN	1,000	-	111,900	-
			<u>4,764,788</u>	<u>3,517,854</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 at 28 February 2010

3. Investments continued

			2010 R	2009 R
<i>Collective investment scheme</i>				
USD High Growth International Multifund	3,989	3,989	401,110	356,486
			<u>401,110</u>	<u>356,486</u>

The above shares are classified as held for trading and is shown at market value with the profit or loss taken to the income statement.

4. Trade receivables

VAT			85,307	76,105
Deposit			38,500	38,500
			<u>123,807</u>	<u>114,605</u>

5. Trust capital

<i>Capital account</i>				
Initial donation			<u>100</u>	<u>100</u>

6. Trade payables

Sundry creditors			<u>21,048</u>	<u>12,829</u>
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7. Grants received

Current projects			6,100,721	7,432,120
Future projects			8,970,631	9,667,508
			<u>15,071,352</u>	<u>17,099,628</u>

8. Investment income

Interest income				
- Interest received			1,519,945	1,476,580
Dividend income				
- Dividends received from listed companies			218,257	219,066
			<u>1,738,202</u>	<u>1,695,646</u>

9. Commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Not later than 1 year			348,767	259,344
Later than 1 year and not later than 5 years			648,356	808,194
			<u>997,123</u>	<u>1,067,538</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 at 28 February 2010

	2010 R	2009 R
10. Notes to the cash flow statement		
<i>10.1 Cash generated by operating activities</i>		
Net surplus	7,396,297	7,761,591
Adjustments for:		
Depreciation	20,855	490,885
Investment income	(1,738,202)	(1,695,646)
Profit on disposal of investments	(142,730)	(8,156)
Fair value adjustment to investments	(841,078)	967,765
	<u>4,695,142</u>	<u>7,516,439</u>
Movements in working capital		
Increase in trade and other receivables	(9,202)	(32,299)
Increase in trade and other payables	8,219	7,628
	<u>4,694,159</u>	<u>7,491,768</u>
<i>10.2 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>23,754,450</u>	<u>17,650,694</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
DETAILED INCOME STATEMENT
for the year ended 28 February 2010

	2010 R	2009 R
Gross revenue	15,194,412	17,856,587
Donations	123,060	756,959
Grants	15,071,352	17,099,628
Income	4,782,080	3,578,206
Cost recovery fees	2,060,070	1,874,404
Dividends received	218,257	219,066
Interest received	1,519,945	1,476,580
Profit on disposal of investments	142,730	8,156
Profit on fair value adjustment on investments	841,078	-
Total income	19,976,492	21,434,793
Expenditure	(12,580,195)	(13,673,202)
Advertising, promotions, marketing and publications	270,084	569,407
Audit and accounting fees	142,281	109,576
Bank and brokerage charges	101,203	78,616
Cleaning	33,080	32,358
Database	42,039	-
Depreciation	20,855	490,885
Dissemination and exchange of learning	844,842	465,149
General expenses	6,347	4,195
Hire of equipment	64,363	57,762
Insurance	36,789	34,284
Lease rentals	314,972	398,800
Legal expenses	33,148	7,800
Loss on fair value adjustment of investments	-	967,765
Organisational evaluation and conference participation	103,792	-
Printing, stationery, postage and office supplies	108,687	128,051
Programmes and projects	3,028,578	2,466,501
Repairs and maintenance	118,244	117,048
Resource material	41,158	23,225
Salaries	5,000,963	4,622,673
Service providers and consultants	1,444,988	2,015,617
Staff and organisational development	126,912	178,787
Telecommunication	69,541	64,569
Travel - local	265,636	560,053
Travel - overseas	242,300	207,574
Utilities	10,181	5,347
Website development and Internet	109,212	67,160
Surplus for the year	<u>7,396,297</u>	<u>7,761,591</u>

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