

**THE SOUTH AFRICAN INSTITUTE
FOR ADVANCEMENT TRUST
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015**

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 2015
General Information

Country of incorporation and domicile	South Africa
Trustees	Z Barends N Daniels N Dlamini I Noko L Ntsebeza
Registered office	Mazars House Rialto Road Grand Moorings Precinct Century City 7441
Bankers	Nedbank, a division of Nedcor Bank Limited
Auditors	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 2015
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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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INDEPENDENT AUDITOR'S REPORT

We have audited the annual financial statements of The South African Institute for Advancement Trust, as set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 management, as well as evaluating the overall presentation of the annual 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 on page 11 of the annual financial statements.

Continued-

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS (SA) • IRBA REGISTRATION NUMBER 900222

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PARTNERS: H SAVEN (NATIONAL CHAIRMAN), MC OLCKERS (MANAGING PARTNER), LD AURET, AK BATT, H CASPER, DPC COLYN, FJ CRONJE,
AS DE JAGER, DS DOLLMAN, M EDELBERG, Y FERREIRA, AK HOOSAIN, MY ISMAIL, FN MILLER, P MINNAAR, S NAIDOO, MG ODENDAAL, D RESNICK,
KA ROBISON, BG SACKS, MA SALEE, N SILBOWITZ, DL SMITH, SM SOLOMON, HH SWANEPOEL, MJA TEUCHERT, JC VAN TUBBERGH, EC VAN HEERDEN
J WESSELS, K ZAACKS

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za

Opinion

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 2015, its financial performance and its cash flows for the year then ended in accordance with the trust's accounting policies.

Emphasis of Matter

Without qualifying our opinion, we emphasise that the basis of accounting and the presentation and disclosures contained in the annual financial statements are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards or International Financial Reporting Standards for Small and Medium-sized Entities.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other report

As part of our audit of the annual financial statements for the year ended 28 February 2015, we have read the Trustees' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. The report is the responsibility of the respective preparers. Based on our reading of the report, we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.



Mazars
Partner: David Resnick
Registered Auditor
07 May 2015
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 2015
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 auditor's 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.

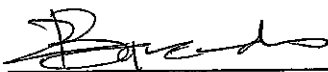
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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.

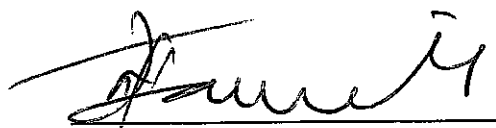
The trustees have reviewed the trust's cash flow forecast for the year to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor 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 page 3.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the trustees on 07 May 2015 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 2015
Trustees' Report

The trustees submit their report for the draft for the year ended 28 February 2015.

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 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	Changes
Z Barends	
N Daniels	
N Dlamini	
S F Gastrow	Resigned 28 January 2015
I Noko	Appointed 04 December 2014
L Ntsebeza	

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 2015
Statement of Financial Position as at 28 February 2015

Figures in Rand	2015	2014
Assets		
Non-Current Assets		
Property, plant and equipment	-	11,688,462
Investments	21,655,407	16,657,806
	<u>21,655,407</u>	<u>28,346,268</u>
Current Assets		
Trade and other receivables	168,914	126,270
Cash and cash equivalents	26,825,805	31,201,007
	<u>26,994,719</u>	<u>31,327,277</u>
Total Assets	<u>48,650,126</u>	<u>59,673,545</u>
Equity and Liabilities		
Equity		
Trust capital	100	100
General reserve	42,728,235	45,102,764
Distributable reserve (Designated funds)	5,342,860	14,338,488
	<u>48,071,195</u>	<u>59,441,352</u>
Liabilities		
Current Liabilities		
Trade and other payables	578,931	232,193
Total Equity and Liabilities	<u>48,650,126</u>	<u>59,673,545</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 2015
Statement of Comprehensive Income

Figures in Rand	2015	2014
Revenue	17,974,591	18,313,615
Other income	1,541,279	2,108,366
Operating expenses	(20,412,521)	(17,888,280)
Operating (deficit) surplus	(896,651)	2,533,701
Investment revenue	2,309,397	2,506,067
Fair value adjustments	2,985,407	928,688
Surplus before special grant (refer to Note1)	4,398,153	5,968,456
Special grant for purchase of building	-	9,000,000
Surplus for the year (refer to Note 2)	4,398,153	14,968,456

Note 1: The surplus includes funding that will be expended during the next financial year.

Note 2: Had the Trust depreciated its building in its 2014 year of purchase, this surplus would have been reduced by R 11,688,462. The Trust elected not to depreciate the cost of the purchased building in the year of purchase.

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 2015
Statement of Changes in Equity

	Trust capital	General reserve	Distributable reserve (Designated funds)	Total equity
Figures in Rand				
Balance at 01 March 2013	100	32,290,638	12,182,158	44,472,896
Surplus for the year	-	-	14,968,456	14,968,456
Transfer to general reserve	-	12,812,126	(12,812,126)	-
Total changes	-	12,812,126	(12,812,126)	-
Balance at 01 March 2014	100	45,102,764	14,338,488	59,441,352
Surplus for the year	-	-	4,398,153	4,398,153
Transfer to general reserve	-	13,393,781	(13,393,781)	-
Land and buildings write-off	-	(15,768,310)	-	(15,768,310)
Total changes	-	(2,374,529)	(13,393,781)	(15,768,310)
Balance at 28 February 2015	100	42,728,235	5,342,860	48,071,195
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 2015
Statement of Cash Flows

Figures in Rand	2015	2014
Cash flows from operating activities		
Cash generated from operations	1,692,996	2,523,044
Interest income	1,963,919	2,322,664
Grant received	-	9,000,000
Dividends received	345,478	183,403
Net cash from operating activities	4,002,393	14,029,111
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,365,401)	(11,768,221)
Purchase of investments	(3,873,698)	(7,003,733)
Proceeds on disposal of investments	1,861,504	426,862
Net cash from investing activities	(8,377,595)	(18,345,092)
Total cash movement for the year	(4,375,202)	(4,315,981)
Cash at the beginning of the year	31,201,007	35,516,988
Total cash at end of the year	26,825,805	31,201,007

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 2015
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements are prepared in accordance with the basis of accounting described below. The annual financial statements are prepared using a combination of the historical cost method and the 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 rate 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 rate 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 2015
Notes to the Annual Financial Statements

Figures in Rand **2015** **2014**

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Audiovisual equipment	174,688	(174,688)	-	185,866	(185,866)	-
Buildings	-	-	-	11,688,462	-	11,688,462
Computer equipment	925,185	(925,185)	-	543,501	(543,501)	-
Computer software	-	-	-	23,696	(23,696)	-
Furniture and fittings	1,187,207	(1,187,207)	-	1,386,888	(1,386,888)	-
Office equipment	136,626	(136,626)	-	64,275	(64,275)	-
Telephone equipment	214,709	(214,709)	-	99,586	(99,586)	-
Total	2,638,415	(2,638,415)	-	13,992,274	(2,303,812)	11,688,462

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Land and buildings write-off	Total
Audiovisual equipment	-	140,267	(140,267)	-	-
Buildings	11,688,462	4,079,848	-	(15,768,310)	-
Computer equipment	-	850,454	(850,454)	-	-
Furniture and fittings	-	977,906	(977,906)	-	-
Office equipment	-	109,119	(109,119)	-	-
Telephone equipment	-	207,807	(207,807)	-	-
	11,688,462	6,365,401	(2,285,553)	(15,768,310)	-

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Buildings	-	11,688,462	-	11,688,462
Computer software	-	6,538	(6,538)	-
Furniture and fixtures	-	1,710	(1,710)	-
Office Equipment	-	5,088	(5,088)	-
Computer equipment	-	66,423	(66,423)	-
	-	11,768,221	(79,759)	11,688,462

3. Investments

At fair value through surplus or deficit for the year

Listed shares at market value	21,655,407	16,657,806
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Non-current assets

At fair value

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

There were no gains or losses realised on the disposal of held to maturity financial assets in 2015 and 2014, as all the financial assets were disposed of at their redemption date.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
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Annual Financial Statements for the year ended 28 February 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
4. Trade and other receivables		
VAT	130,414	87,403
Other receivables	-	367
Deposit	38,500	38,500
	<u>168,914</u>	<u>126,270</u>
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,394	7,537
Bank balances	26,824,411	31,193,471
	<u>26,825,805</u>	<u>31,201,008</u>
6. Trust capital		
Capital account		
Initial donation	100	100
7. General reserve		
Balance at beginning of year	45,102,764	32,290,638
Movement during the year	13,393,781	12,812,126
Land and buildings write-off	(15,768,310)	-
	<u>42,728,235</u>	<u>45,102,764</u>
Comprising:		
General reserve	42,243,940	44,331,970
Portion of trading VAT refund in reserves	484,295	770,794
	<u>42,728,235</u>	<u>45,102,764</u>
8. Trade and other payables		
Accrued leave pay	198,849	195,133
Other accrued expenses	321,655	-
Deposits received	49,096	35,140
Sundry creditors	9,331	1,920
	<u>578,931</u>	<u>232,193</u>
9. Revenue		
Donations received	340,635	1,204,765
Grants received	17,633,956	17,108,850
	<u>17,974,591</u>	<u>18,313,615</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 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
10. Investment revenue		
Dividend revenue		
Dividends received from listed companies	345,478	183,403
Interest revenue		
Interest received	1,963,919	2,322,664
	2,309,397	2,506,067
11. Grants received		
Current projects	15,467,435	7,822,820
Future projects	2,166,522	9,286,030
	17,633,957	17,108,850
12. Cash generated from operations		
Surplus	4,398,153	5,968,456
Adjustments for:		
Depreciation	2,285,553	79,759
Profit on disposal of investments	197,527	(233,361)
Dividends received	(345,478)	(183,403)
Interest received	(1,963,919)	(2,322,664)
Fair value adjustments to investments	(3,182,934)	(928,688)
Other non-cash items	-	17,065
Changes in working capital:		
Trade and other receivables	(42,644)	164,971
Trade and other payables	346,738	(39,091)
	1,692,996	2,523,044
13. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	526,251	737,255
- in second and third years inclusive	-	526,251
	526,251	1,263,506
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 2015
Detailed Income Statement

Figures in Rand	2015	2014
Revenue		
Grants	17,633,956	17,108,850
Donations received	340,635	1,204,765
	9	
	<u>17,974,591</u>	<u>18,313,615</u>
Other income		
Cost recovery fees	1,541,279	1,875,005
Dividends received	10 345,478	183,403
Fair value adjustments on investments	3,182,934	928,688
Interest received	10 1,963,919	2,322,664
(Loss)/Profit on disposal of investments	(197,527)	233,361
	<u>6,836,083</u>	<u>5,543,121</u>
Operating expenses		
Advertising, promotions, marketing and publications	577,025	486,538
Audit and accounting fees	157,326	160,983
Bank and portfolio management charges	284,891	239,032
Cleaning	64,520	56,216
Database	136,776	45,400
Depreciation	2,285,553	79,759
Dissemination and exchange of learning	305,737	289,937
General expenses	8,621	7,860
Hire of equipment	99,979	87,619
Insurance	54,233	54,230
Lease rentals	558,215	594,659
Legal expenses	750	25,544
Printing, stationery, postage and office supplies	184,071	190,569
Programmes and projects	5,765,149	5,234,164
Repairs and maintenance	77,612	122,223
Resource centre and material	86,779	54,614
Salaries	7,542,628	7,631,153
Service providers and consultants	905,226	843,625
Staff and organisational development	374,734	439,499
Telecommunication	81,229	85,747
Travel - international and local	780,798	1,093,478
Website development and internet	80,669	65,431
	<u>20,412,521</u>	<u>17,888,280</u>
Surplus before special grant (refer to Note 1)	<u>4,398,153</u>	<u>5,968,456</u>
Special grant for purchase of building	-	9,000,000
Surplus for the year (refer to Note 2)	<u>4,398,153</u>	<u>14,968,456</u>

Note 1: The surplus includes funding that will be expended during the next financial year.

Note 2: Had the Trust depreciated its building in its 2014 year of purchase, this surplus would have been reduced by R 11,688,462. The trust elected not to depreciate the cost of purchased building in the year of purchase.