

**THE SOUTH AFRICAN INSTITUTE FOR
ADVANCEMENT TRUST
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
for the year ended 29 February 2008**

Trustees

R E Van der Ross
S F Gastrow
L Kaunda
G J Lundy
T M F Phaswana
M Soko
M I Surve

Registered office

27th Floor
1 Thibault Square
Cape Town
8001

Bankers

Nedbank, a division of Nedcor Bank Limited

Auditors

Mazars Moores Rowland
Cape Town

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
FINANCIAL STATEMENTS
for the year ended 29 February 2008

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

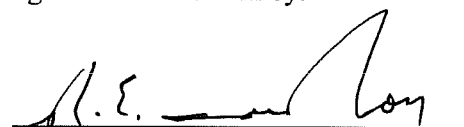
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Approval of the annual financial statements

The financial statements which appear on pages 4 to 14 were approved by the trustees on 13 May 2008 and signed on their behalf by:



R E Van der Ross



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 29 February 2008, 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.

Margan Moores Rowland
MAZARS MOORES ROWLAND
Registered Auditor

13 May 2008
Cape Town

Partner: David Resnick
Chartered Accountant (SA)

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
REPORT OF THE TRUSTEES
for the year ended 29 February 2008

The trustees present their report for the year ended 29 February 2008. 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

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

5. Trustees

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

R E Van der Ross
S F Gastrow
L Kaunda
G J Lundy
T M F Phaswana
M Soko
M I Surve

During the year G J Lundy was appointed as trustee.

6. Auditors

Mazars Moores Rowland will continue in office in accordance with section 270(2) of the Companies Act.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
BALANCE SHEET
as at 29 February 2008

		2008	2007
		R	R
Assets			
Non-current asset			
Investments	3	3,208,355	1,561,605
Current assets			
Trade and other receivables	4	10,662,065	5,574,169
Cash and cash equivalents	10.2	82,306	27,896
		10,579,759	5,546,273
Total assets		13,870,420	7,135,774
Equity and liabilities			
Capital and reserves			
Trust capital	5	13,865,219	7,115,146
General reserve		100	100
Distributable reserve		8,910,325	7,115,046
		4,954,794	-
Current liability			
Trade and other payables	6	5,201	20,628
Total equity and liabilities		13,870,420	7,135,774

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
INCOME STATEMENT
for the year ended 29 February 2008

	Note	2008 R	2007 R
Gross revenue		10,971,657	2,971,606
Other income		1,692,591	1,411,290
Operating costs		<u>(6,833,312)</u>	<u>(5,318,124)</u>
Operating profit/(loss)		5,830,936	(935,228)
Investment income	8	<u>919,137</u>	<u>643,524</u>
Profit/(Loss) for the year		<u><u>6,750,073</u></u>	<u><u>(291,704)</u></u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2008

	Trust capital R	General reserve R	Accumulated profit R	Total R
Balance at 01 March 2006	100	7,406,750	-	7,406,850
Loss for the year		-	(291,704)	(291,704)
Transfer to General Reserve		(291,704)	291,704	-
Balance at 01 March 2007	100	7,115,046	-	7,115,146
Profit for the year		-	6,750,073	6,750,073
Transfer of profit to general reserve		1,795,279	(1,795,279)	
Balance at 29 February 2008	100	8,910,325	4,954,794	13,865,219

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
CASH FLOW STATEMENT
for the year ended 29 February 2008

	Notes	2008 R	2007 R
Cash flows from operating activities		7,001,715	(512,271)
Cash generated by/(utilised in) operating activities	10.1	6,082,578	(1,155,795)
Investment income		816,382	643,524
Dividends received		102,755	-
Cash flows from investing activities		(1,968,229)	(1,328,948)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(566,656)	(22,386)
<i>Expenditure for expansion</i>			
Investments		(1,401,573)	(1,306,562)
Increase/(decrease) in cash and cash equivalents		5,033,486	(1,841,219)
Cash and cash equivalents at beginning of the year	10.2	5,546,273	7,387,492
Cash and cash equivalents at end of the year	10.2	10,579,759	5,546,273

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2008

1. Basis of preparation

The financial statements are prepared in accordance with the basis of accounting described below. The financial statements are prepared under the historical cost method.

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 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 29 February 2008

2. Property, plant and equipment

	2008			2007		
	Cost	Accumulated	Carrying value	Cost	Accumulated	Carrying value
	R	depreciation	R	R	depreciation	R
		R			R	
<i>Owned assets</i>						
Audiovisual equipment	96,178	96,178	-	96,178	96,178	-
Furniture and fittings	766,756	766,756	-	311,024	311,024	-
Telephone equipment	59,414	59,414	-	19,809	19,809	-
Office equipment	69,967	69,967	-	46,744	46,744	-
Computer equipment	376,709	376,709	-	342,117	342,117	-
Computer software	38,264	38,264	-	38,264	38,264	-
	<u>1,407,288</u>	<u>1,407,288</u>	<u>-</u>	<u>854,136</u>	<u>854,136</u>	<u>-</u>

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

2008	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	R	R	R	R
<i>Owned assets</i>				
Furniture and fittings	-	469,236	(469,236)	-
Telephone equipment	-	39,605	(39,605)	-
Office equipment	-	23,223	(23,223)	-
Computer equipment	-	34,592	(34,592)	-
	<u>-</u>	<u>566,656</u>	<u>(566,656)</u>	<u>-</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2008

			2008	2007
			R	R
3. Investments				
Listed shares at market value			<u>3,208,355</u>	<u>1,561,605</u>
The trust held investments in the following companies:				
	<i>Number of shares</i>			
	2008	2007		
Listed				
Anglo Platinum Ltd	100	100	124,000	103,000
Anglos PLC	373	300	185,970	103,206
Aveng Ltd	1,754	2,000	108,748	79,000
Billiton PLC	900	900	229,320	130,689
Firststrand Ltd	4,000	3,000	74,800	71,850
Goldfields Ltd	1,000	500	109,500	62,480
Liberty International PLC	800	500	118,000	86,425
Massmart Holdings Ltd	1,000	1,000	72,000	83,900
Pick 'n Pay Holdings Ltd	3,000	3,000	38,700	44,520
Richmont Securities AG	2,000	2,000	90,600	79,780
Remgro Ltd	300	300	60,900	51,585
SABMiller PLC	500	500	81,500	80,275
Sasol Ltd	300	300	120,750	69,900
Standard Bank Ltd	622	500	61,267	50,250
PPC Cement	1,000	-	42,800	-
Tiger Brands	200	-	28,002	-
City Lodge	500	-	37,775	-
Discovery Holdings Limited	168	-	4,604	-
ABSA Bank Ltd Pref's	300	-	264,000	-
FirstRand B Pref's	3,000	-	262,200	-
Nedbank Pref's	30,000	-	316,500	-
Standard Bank Pref's	3,000	-	295,500	-
			<u>2,727,436</u>	<u>1,096,860</u>
	2008	2007		
Collective investment scheme				
USD High Growth International				
Multifund	3,989	3,989	480,919	464,745
			<u>480,919</u>	<u>464,745</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.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2008

	2008	2007
	R	R
4. Trade receivables		
VAT	43,806	25,896
Deposit	38,500	-
Sundry debtor	-	2,000
	<u>82,306</u>	<u>27,896</u>
5. Trust capital		
<i>Capital account</i>		
Initial donation	<u>100</u>	<u>100</u>
6. Trade payables		
Sundry creditors	<u>5,202</u>	<u>20,628</u>
7. Grants received		
Current projects	5,929,444	2,345,306
Future projects	4,954,793	570,000
	<u>10,884,237</u>	<u>2,915,306</u>
8. Investment income		
Interest income		
- Interest received	816,382	626,891
Dividend income		
- Dividends received from listed companies	102,755	16,633
	<u>919,137</u>	<u>643,524</u>
9. Commitments		
<i>Operating lease commitments</i>		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	237,930	312,472
Later than 1 year and not later than 5 years	1,067,538	1,095,560
	<u>1,305,468</u>	<u>1,408,032</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2008

	2008	2007
	R	R
10. Notes to the cash flow statement		
<i>10.1 Cash generated by/(utilised in) operating activities</i>		
Net profit/(loss)	6,750,073	(291,704)
Adjustments for:		
Depreciation	566,656	22,386
Investment income	(919,137)	(643,524)
Profit on fair value adjustment of investments	(245,177)	(255,043)
	<u>6,152,415</u>	<u>(1,167,885)</u>
Movements in working capital		
Increase in trade and other receivables	(54,410)	(2,245)
(Decrease)/increase in trade and other payables	(15,427)	14,335
	<u><u>6,082,578</u></u>	<u><u>(1,155,795)</u></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><u>10,579,759</u></u>	<u><u>5,546,273</u></u>

11. Comparative figures

Certain comparative figures have been reclassified.

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
DETAILED INCOME STATEMENT
for the year ended 29 February 2008

	2008 R	2007 R
Gross revenue	10,971,657	2,971,606
Donations	87,420	56,300
Grants	10,884,237	2,915,306
Income	2,611,728	2,054,814
Cost recovery fees	1,447,414	1,137,332
Dividends received	102,755	16,633
Fair value adjustment on investments	245,177	255,043
Interest received	816,382	626,891
Sundry income	-	18,915
Total income	13,583,385	5,026,420
Expenditure	(6,833,312)	(5,318,124)
Advertising, promotions, marketing and publications	271,137	484,532
Audit and accounting fees	67,570	44,000
Bank and brokerage charges	66,655	91,350
Cleaning	14,553	18,277
Depreciation	566,656	22,386
Dissemination of knowledge	171,535	-
Programmes and projects	1,269,979	327,307
Hire of equipment	63,050	57,444
Insurance	26,973	25,345
Lease rentals	264,605	322,292
Legal expenses	6,470	1,840
General expenses	3,443	3,740
Printing, stationery, postage and office supplies	91,180	168,654
Repairs and maintenance	74,565	52,147
Resource material	32,527	22,838
Salaries	2,497,918	2,333,534
Secretarial fees	-	19,662
Service providers and consultants	772,030	749,602
Staff development	22,948	11,120
Telecommunications	60,878	98,778
Travel - local	172,668	153,495
Travel - overseas	231,931	290,411
Utilities	18,110	19,370
Website development	65,931	-
Profit/(loss) for the year	<u>6,750,073</u>	<u>(291,704)</u>