

**THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST**  
**(Masters reference IT 2285/2002)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Trustees</b>	Dr. R Ally (Chairperson) N Dlamini I Noko (Treasurer) M Abrahams (Secretary) V Manuel
<b>Registered office</b>	Mazars House Rialto Road Grand Moorings Precinct Century City 7441
<b>Bankers</b>	Nedbank, a division of Nedcor Bank Limited
<b>Auditor</b>	Mazars Registered Auditor
<b>Masters reference number</b>	IT 2285/2002
<b>Issued</b>	<u>11 June 2021</u>

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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**The South African Institute for Advancement Trust  
Annual Financial Statements for the year ended 28 February 2021  
Trustees' Responsibilities and Approval**

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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.

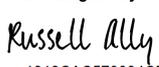
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal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

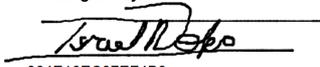
The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2022 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 9 to 18, which have been prepared on the going concern basis, were approved by the trustees on 11 June 2021 and were signed on its behalf by:

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**Dr. R Ally (Chairperson)**

DocuSigned by:  
  
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**I Noko (Treasurer)**

## Independent Auditor's Report

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### 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 (the trust) set out on pages 9 to 18, which comprise the statement of financial position as at 28 February 2021, 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 a summary of 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 2021, 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 (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter - Impact of the outbreak of COVID-19 on the annual financial statements and Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

In forming our conclusion on the annual financial statements, which is not modified, we draw attention to the trustees' view on the impact of the COVID-19 as disclosed in the trustees report, and the application of the going concern basis of preparation in note 15 to the annual financial statements and the non-adjusting subsequent event note 16 to the annual financial statements. Although the company cannot estimate the future length or gravity of the impact of COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the company's results of future operations, financial position and liquidity during the next financial period.

Management will continue to assess the financial impact of COVID-19 and its impact on the company's financial condition and liquidity.

## **Independent Auditor's Report**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The South African Institute for Advancement Trust annual financial statements for the year ended 28 February 2021", which includes the Trustees' Report and the supplementary information presented on page 19. The other information does not include the annual 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 on the other information obtained prior to the date of this auditor's report, 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.

### **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 basis of accounting described in note 1 for determining that the basis of preparation is acceptable in the circumstances 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 skepticism 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.
- 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and relating disclosures made by the trustees.

## Independent Auditor's Report

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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.



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**Mazars**  
**Partner: Theeban Gangen**  
**Registered Auditor**

11 June 2021

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**Cape Town**

**The South African Institute for Advancement Trust  
Annual Financial Statements for the year ended 28 February 2021  
Trustees' Report**

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The trustees submit their report for the year ended 28 February 2021.

**1. Review of activities**

The operating result 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. Trustees**

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

**Trustees**

Dr. R Ally (Chairperson)

N Dlamini

I Noko (Treasurer)

M Abrahams (Secretary)

V Manuel

T Winslow

Deceased: 26 January 2021

**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 affecting these financial statements other than Covid19 pandemic which is discussed below.

The new novel corona virus has had a severe impact on the economy and subsequently on the trust. The trust generates income through donations, grants, leasing of the building to tenants and conferencing, consulting and interest and dividends through their investments.

The trustees along with management are constantly monitoring and assessing the impact that Covid19 might have on their operations.

**The South African Institute for Advancement Trust  
Annual Financial Statements for the year ended 28 February 2021  
Trustees' Report**

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**4. Going concern**

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position to meet its foreseeable cash requirements.

Due to the impact of Covid19 on the economy, the trust has also been severely impacted. The annual cost obligation of the trust is R7,500,000 based on prepared budget forecasts to date. Based on this, the shortfall is estimated to be R3,190,000. The trustees can cover this shortfall through interest and cost recoveries and could make withdrawal from reserves which at most would represent 19% of liquid cash reserves, however there is an aggressive resource mobilization plan currently underway to raise funds to help diminish this shortfall. Through this it could be seen that the trust will be able to cover their necessary expenses in the foreseeable future.

Based on the above and the reserves that the trust has access to, the trustees believe the trust not to have any going concern issues and will continue to be able to operate in the foreseeable future.

**5. Auditors**

Mazars will continue in office for the next financial year.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Statement of Financial Position as at 28 February 2021**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	-	-
Investments	3	33,969,940	30,751,222
		<u>33,969,940</u>	<u>30,751,222</u>
<b>Current Assets</b>			
Trade and other receivables	4	17,176	194,146
Cash and cash equivalents	5	18,344,286	22,678,870
		<u>18,361,462</u>	<u>22,873,016</u>
<b>Total Assets</b>		<u><b>52,331,402</b></u>	<u><b>53,624,238</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital	6	100	100
General reserve	7	51,676,099	52,601,688
Designated funds		306,171	787,784
		<u>51,982,370</u>	<u>53,389,572</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	349,032	234,666
<b>Total Equity and Liabilities</b>		<u><b>52,331,402</b></u>	<u><b>53,624,238</b></u>

**Note 1:** The institute currently owns an income generating property at a cost of R16,160,830.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
Revenue	9	31,050	-
Other income	10	3,393,957	4,476,610
Operating expenses		(7,150,798)	(8,168,222)
<b>Operating deficit</b>		<b>(3,725,791)</b>	<b>(3,691,612)</b>
Fair value adjustments	11	2,794,084	(1,895,022)
Profit (loss) on disposal of investments		(475,495)	381,647
<b>Deficit for the year</b>		<b>(1,407,202)</b>	<b>(5,204,987)</b>
Other comprehensive income		-	-
<b>Total comprehensive deficit for the year</b>		<b>(1,407,202)</b>	<b>(5,204,987)</b>

**Note 1:** Grant funding received in previous financial years but for programme work carried out in the 2020-21 financial year, also assisted in funding the deficit for 2020-2021 financial year.

**Note 2:** No new grant funding was received during the 2020-21 financial year.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Trust capital</b>	<b>General reserves</b>	<b>Designated funds</b>	<b>Total equity</b>
<b>Balance at 01 March 2019</b>	<b>100</b>	<b>55,480,341</b>	<b>3,114,118</b>	<b>58,594,559</b>
Deficit for the year	-	-	(5,204,987)	(5,204,987)
Transfer from general reserve	-	(2,878,653)	2,878,653	-
<b>Balance at 01 March 2020</b>	<b>100</b>	<b>52,601,688</b>	<b>787,784</b>	<b>53,389,572</b>
Deficit for the year	-	-	(1,407,202)	(1,407,202)
Transfer from general reserve	-	(925,589)	925,589	-
<b>Balance at 28 February 2021</b>	<b>100</b>	<b>51,676,099</b>	<b>306,171</b>	<b>51,982,370</b>
Notes	6	7		

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	12	(5,212,029)	(6,660,923)
Interest income		1,238,271	2,406,542
Dividends received		555,185	826,089
<b>Net cash from operating activities</b>		<b>(3,418,573)</b>	<b>(3,428,292)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(15,882)	(78,797)
Proceeds on disposal of investments		4,715,289	2,656,821
Purchase of investments		(5,615,418)	(4,452,738)
<b>Net cash from investing activities</b>		<b>(916,011)</b>	<b>(1,874,714)</b>
<b>Total cash movement for the year</b>		<b>(4,334,584)</b>	<b>(5,303,006)</b>
Cash at the beginning of the year		22,678,870	27,981,876
<b>Total cash at end of the year</b>	5	<b>18,344,286</b>	<b>22,678,870</b>

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Accounting Policies**

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**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.

All property, plant and equipment are initially recorded at cost and subsequently written off in full in the year of purchase except for land and buildings which is not depreciated in the year of purchase.

**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 through surplus or deficit for the year.

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 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

**Operating leases – lessee**

Operating lease payments are recognized as an expense as it is due.

**1.5 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.

**1.6 Revenue**

Revenue is recognised once donations and grants have been received.

Interest is recognised, in surplus or deficit, using the effective interest method.

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

**1.7 Other income**

Other income is derived from facilitation fees, consulting work, income from workshops, cost recoveries, funding finder database and hub conferencing and rental activities. This is recognised in surplus or deficit to the extent that the trust has transferred the significant risk and rewards of ownership of goods to the buyer or provided the services under an agreement.

**The South African Institute for Advancement Trust  
Annual Financial Statements for the year ended 28 February 2021  
Accounting Policies**

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**1.8 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.

**1.9 General reserve**

The distributable reserve represents funds that are restricted and allocated for programme use. The general reserve comprises of the investment portfolio and cash reserves in the investment portfolio and includes a portion of cash and cash equivalents.

**1.10 Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay), are recognised in the period in which the related service is rendered and are not discounted.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Notes to the Annual Financial Statements**

Figures in Rand	2021	2020
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**2. Property, plant and equipment**

	2021			2020		
	Cost	Accumulated depreciation / Land and buildings write-off	Carrying value	Cost or revaluation	Accumulated depreciation / Land and buildings write-off	Carrying value
Buildings	16,160,830	(16,160,830)	-	16,160,830	(16,160,830)	-
Audiovisual equipment	221,002	(221,002)	-	221,002	(221,002)	-
Furniture and fittings	1,918,175	(1,918,175)	-	1,918,175	(1,918,175)	-
Office equipment	239,819	(239,819)	-	239,819	(239,819)	-
Computer equipment	995,387	(995,387)	-	1,015,723	(1,015,723)	-
Telephone equipment	214,709	(214,709)	-	214,709	(214,709)	-
<b>Total</b>	<b>19,749,922</b>	<b>(19,749,922)</b>	<b>-</b>	<b>19,770,258</b>	<b>(19,770,258)</b>	<b>-</b>

**Reconciliation of property, plant and equipment - 2021**

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	-	15,882	(15,882)	-

**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fittings	-	3,043	(3,043)	-
Office equipment	-	67,234	(67,234)	-
Computer equipment	-	8,520	(8,520)	-
	-	<b>78,797</b>	<b>(78,797)</b>	-

**3. Investments**

**At fair value through surplus or deficit for the year**

Listed shares at market value	33,969,940	30,751,222
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Inyathelo operates a balanced portfolio strategy which looks to achieve total returns of inflation plus 3-5% over a rolling 5 year period. This strategy seeks to balance income and real capital growth objectives. The trustees believe that the strategy is appropriate for investors who want to see reasonable capital growth over the medium to long term, as well as earn reasonable income from their investment. Inyathelo also manages savings in cash reserves (governed by a Board reserve policy) in addition to the investment portfolio, to mitigate risk.

**4. Trade and other receivables**

VAT	17,176	16,154
Accrued income on investments	-	177,992
	<b>17,176</b>	<b>194,146</b>

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2021</b>	<b>2020</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	201	4,052
Bank balances	18,344,085	22,674,818
	<b>18,344,286</b>	<b>22,678,870</b>
<b>6. Trust capital</b>		
<b>Capital account</b>		
Initial donation	100	100
<b>7. General reserve</b>		
Balance at the beginning of the year	52,601,688	55,480,341
Movement during the year	(925,589)	(2,878,653)
	<b>51,676,099</b>	<b>52,601,688</b>
<b>Comprising:</b>		
Sustainability reserve	34,773,702	31,684,255
Operational reserve	16,902,397	20,917,433
	<b>51,676,099</b>	<b>52,601,688</b>
<b>8. Trade and other payables</b>		
Accrued leave pay	234,326	169,195
Other accrued expenses	55,243	26,341
Deposits received	59,463	39,130
	<b>349,032</b>	<b>234,666</b>
<b>9. Revenue</b>		
Donations	31,050	-
<b>10. Other income</b>		
Dividends received	555,185	826,089
Interest received	1,238,271	2,406,542
Other income	1,600,501	1,243,979
	<b>3,393,957</b>	<b>4,476,610</b>
<b>11. Fair value adjustments</b>		
Investments	2,794,084	(1,895,022)

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Notes to the Annual Financial Statements**

Figures in Rand	2021	2020
<b>12. Cash used in operations</b>		
Deficit before taxation	(1,407,202)	(5,204,987)
<b>Adjustments for:</b>		
Depreciation	15,882	78,797
(Surplus) deficit on sale of assets	475,495	(381,647)
Dividends received	(555,185)	(826,089)
Interest received	(1,238,271)	(2,406,542)
Fair value adjustments	(2,794,084)	1,895,022
<b>Changes in working capital:</b>		
Trade and other receivables	176,970	130,605
Trade and other payables	114,366	53,918
	<b>(5,212,029)</b>	<b>(6,660,923)</b>

**13. Commitments**

**Operating leases – as lessee (expense)**

**Minimum lease payments due**

- within one year	126,048	82,701
- in second to fifth year inclusive	58,862	-
	<b>184,910</b>	<b>82,701</b>

Operating lease payments represent rentals payable by the trust for equipment. The lease escalates at 7.5% per annum and is negotiated for a period of 36 months.

**Consulting contracts**

**Minimum lease payments due**

- within one year	169,144	325,296
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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.

**Rentals to be received**

- within one year	563,832	69,289
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**14. Tax**

The trust has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act. The receipts and accruals of the trust are exempt from tax in terms of Section 10(1)(cN) of the Income Tax Act. No provision has been made for taxation as the trust has no taxable income for the year.

The trust has also been approved as a public benefit organisation for purposes of Section 18A(1)(a) of the Income Tax Act.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Notes to the Annual Financial Statements**

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**15. Going concern**

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position to meet its foreseeable cash requirements.

Due to the impact of Covid19 on the economy, the trust has also been severely impacted. The annual cost obligation of the trust is R7,500,000 based on prepared budget forecasts to date. Based on this, the shortfall is estimated to be R3,190,000. The trustees can cover this shortfall through interest and cost recoveries and could make withdrawal from reserves which at most would represent 19% of liquid cash reserves, however there is an aggressive resource mobilization plan currently underway to raise funds to help diminish this shortfall. Through this it could be seen that the trust will be able to cover their necessary expenses in the foreseeable future.

Based on the above and the reserves that the trust has access to, the trustees believe the trust not to have any going concern issues and will continue to be able to operate in the foreseeable future.

**16. 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 affecting these financial statements other than Covid19 pandemic which is discussed below.

The new novel corona virus has had a severe impact on the economy and subsequently on the trust. The trust generates income through donations, grants, leasing of the building to tenants and conferencing, consulting and interest and dividends through their investments.

The trustees along with management are constantly monitoring and assessing the impact that Covid19 might have on their operations.

**The South African Institute for Advancement Trust**  
**Annual Financial Statements for the year ended 28 February 2021**  
**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Donations		31,050	-
<b>Other income</b>			
Cost recovery fees		1,600,501	1,243,979
Interest received		1,238,271	2,406,542
Dividends received		555,185	826,089
		<b>3,393,957</b>	<b>4,476,610</b>
<b>Operating expenses</b>			
Advertising, promotions, marketing and publications		328,039	389,983
Audit and accounting fees		218,567	212,043
Bank and portfolio management charges		295,036	299,476
Cleaning		196,664	184,986
Covid-19 Contingency		69,878	-
Database		173,235	136,275
Depreciation		15,882	78,797
General expenses		9,086	12,044
Hire of equipment		55,807	80,829
Insurance		37,126	35,436
Printing, stationery, postage and office supplies		80,754	164,181
Professional and legal fees		-	71,047
Programmes and projects		418,793	803,835
Rates and levies		405,940	406,406
Repairs and maintenance		102,581	109,844
Resource centre and material		217	12,934
Salaries		4,474,825	4,551,742
Service providers and consultants		105,000	73,972
Staff and organisational development		50,324	206,168
Telecommunication		51,655	50,486
Travel - international and local		12,035	216,473
Website development and internet		49,354	71,265
		<b>7,150,798</b>	<b>8,168,222</b>
<b>Operating deficit</b>		<b>(3,725,791)</b>	<b>(3,691,612)</b>
Investment income			
Fair value adjustments	11	2,794,084	(1,895,022)
Profit (loss) on disposal of investments		(475,495)	381,647
		<b>2,318,589</b>	<b>(1,513,375)</b>
<b>Deficit for the year</b>		<b>(1,407,202)</b>	<b>(5,204,987)</b>

**Note 1:** Grant funding received in previous financial years but for programme work carried out in the 2020-21 financial year, also assisted in funding the deficit for 2020-2021 financial year.

**Note 2:** No new grant funding was received during the 2020-21 financial year.