

**THE SOUTH AFRICAN INSTITUTE FOR
ADVANCEMENT TRUST
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2011**

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 2011**

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

Index	Page
Report of the independent auditors	2 - 3
Report of the trustees	4
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 14

The following supplementary schedule does not form part of the financial statements, and is unaudited.

Detailed income statement	15
---------------------------	----

Approval of the annual financial statements

The financial statements which appear on pages 4 to 15 were approved by the trustees on 05 May 2011 and signed on their behalf by:



M Soko



S F Gastrow

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEE 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 statement of financial position as at 28 February 2011, the statement of comprehensive income, 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 14.

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 15 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 2011****Cape Town**

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
REPORT OF THE TRUSTEES
for the year ended 28 February 2011

The trustees present their report for the year ended 28 February 2011. 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
STATEMENT OF FINANCIAL POSITION
as at 28 February 2011

	Notes	2011 R	2010 R
Assets			
Non-current asset			
Investments	3	6,560,992	5,165,898
		27,919,005	23,878,257
Current assets			
Trade and other receivables	4	164,604	123,807
Cash and cash equivalents	11.2	27,754,401	23,754,450
Total assets		<u>34,479,997</u>	<u>29,044,155</u>
Equity and liabilities			
Capital and reserves			
Trust capital	5	100	100
General reserve	6	21,433,405	17,291,222
Distributable reserve		13,040,506	11,731,785
Current liability			
Trade and other payables	7	5,986	21,048
Total equity and liabilities		<u>34,479,997</u>	<u>29,044,155</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2011

	Note	2011 R	2010 R
Gross revenue		15,209,269	15,194,412
Other income		1,743,540	3,043,878
Operating costs		<u>(13,323,452)</u>	<u>(12,580,195)</u>
Operating surplus		3,629,357	5,658,095
Investment income	9	<u>1,821,547</u>	<u>1,738,202</u>
Surplus for the year		<u>5,450,904</u>	<u>7,396,297</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2011

	Trust capital R	General reserve R	Accumulated surplus R	Total R
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 01 March 2010	100	17,291,222	11,731,785	29,023,107
Surplus for the year		-	5,450,904	5,450,904
Transfer to General Reserve		4,142,183	(4,142,183)	-
Balance at 28 February 2011	100	21,433,405	13,040,506	34,474,011

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
STATEMENT OF CASH FLOWS
for the year ended 28 February 2011

	Notes	2011 R	2010 R
Cash flows from operating activities		4,970,864	6,432,361
Cash generated by operating activities	11.1	3,149,317	4,694,159
Investment income		1,634,176	1,519,945
Dividends received		187,371	218,257
Cash flows from investing activities		(970,913)	(328,605)
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(83,033)	(20,855)
Proceeds of disposals of investments		634,861	406,373
<i>Expenditure for expansion</i>			
Investments		(1,522,741)	(714,123)
Increase in cash and cash equivalents		3,999,951	6,103,756
Cash and cash equivalents at beginning of the year	11.2	23,754,450	17,650,694
Cash and cash equivalents at end of the year	11.2	27,754,401	23,754,450

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011

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 2011

2. Property, plant and equipment

	2011			2010		
	Cost	Accumulated	Carrying value	Cost	Accumulated	Carrying value
	R	depreciation	R	R	depreciation	R
		R			R	
<i>Owned assets</i>						
Audiovisual equipment	171,550	171,550	-	175,936	175,936	-
Furniture and fittings	1,039,574	1,039,574	-	1,031,649	1,031,649	-
Telephone equipment	62,075	62,075	-	62,075	62,075	-
Office equipment	69,967	69,967	-	69,967	69,967	-
Computer equipment	620,632	620,632	-	541,138	541,138	-
Computer software	38,264	38,264	-	38,264	38,264	-
	2,002,062	2,002,062	-	1,919,029	1,919,029	-

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

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
	R	R	R	R
2011				
<i>Owned assets</i>				
Audiovisual equipment	-	(4,386)	4,386	-
Furniture and fittings	-	7,925	(7,925)	-
Computer equipment	-	79,494	(79,494)	-
	-	83,033	83,033	-
2010				
<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)	-
	-	20,855	(20,855)	-

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011

			2011	2010
			R	R
3. Investments				
Listed shares at market value			<u>6,560,992</u>	<u>5,165,898</u>
The trust held investments in the following companies:				
	<i>Number of shares</i>			
	2011	2010		
<i>Listed</i>				
Anglo Platinum Ltd	150	150	101,550	107,175
Anglos PLC	1,300	1,300	490,100	359,450
Aveng Ltd	2,200	1,754	80,476	65,600
Billiton PLC	1,900	1,500	526,300	346,575
Firststrand Ltd	5,000	5,000	97,950	90,950
Goldfields Ltd	1,500	1,500	187,185	133,275
Liberty International PLC	-	1,200	-	66,240
Massmart Holdings Ltd	-	600	-	55,026
Pick 'n Pay Holdings Ltd	-	3,000	-	50,400
Pikwik	4,000	-	80,280	-
Remgro Ltd	1,800	1,800	201,510	162,000
SABMiller PLC	850	700	199,418	138,600
Sasol Ltd	700	500	266,679	140,975
Standard Bank Ltd	1,800	1,200	179,730	128,952
PPC Cement	4,000	3,243	111,280	105,398
Tiger Brands	300	300	54,720	52,800
City Lodge	1,000	1,000	68,750	78,000
Impala Plats	500	300	102,750	56,355
ABSA Bank Ltd Pref's	300	300	259,350	271,500
FirstRand B Pref's	3,000	3,000	274,200	280,530
Nedbank Pref's	30,000	30,000	312,300	327,000
Standard Bank Pref's	3,000	3,000	292,530	313,500
MMI Holdings Limited	844	-	13,715	-
WBH-Ovcon	200	200	23,200	21,692
Compagnie Financiere				
Richemont	2,000	2,000	79,700	51,100
British American Tobacco	700	600	196,042	156,000
Naspers -N-	300	-	119,985	-
Truworths Ltd	1,000	1,000	63,760	49,440
RMBH	1,000	1,000	38,440	29,390
Reinet Investments SCA	5,000	3,000	58,500	35,550
Venfin Limited	3,000	3,000	870	39,780
First Rand Perpetual	200,000	200,000	200,004	200,020
Growth Point	14,500	14,500	246,065	210,975
Hyprop	4,000	4,000	216,800	199,960
Redefine	30,000	26,000	220,500	197,080
Fountainhead Property Trust	25,000	20,000	160,000	131,600
MTN	1,200	1,000	<u>147,480</u>	<u>111,900</u>
Balance carried forward			5,672,119	4,764,788

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011

3. Investments continued

	<i>Number of shares</i>		2011	2010
	2011	2010	R	R
<i>Listed</i>				
Balance brought forward			5,672,119	4,764,788
Altech	1,200	-	72,000	-
Capital and Counties Properties Plc	1,200	-	20,160	-
Capital Shopping Centres Group Plc	1,200	-	53,172	-
			<u>5,817,451</u>	<u>4,764,788</u>
<i>Collective investment scheme</i>				
USD High Growth International Multifund	3,989	3,989	416,952	401,110
Nedgroup IF - The US Dollar Fund	17,327	-	161,790	-
Nedgroup IF - The Euro Fund	14,357	-	164,799	-
			<u>743,541</u>	<u>401,110</u>
The above shares are shown at market value with the profit or loss taken to the income statement.				
4. Trade receivables				
VAT			126,104	85,307
Deposit			38,500	38,500
			<u>164,604</u>	<u>123,807</u>
5. Trust capital				
<i>Capital account</i>				
Initial donation			<u>100</u>	<u>100</u>
6. General reserve				
Balance at beginning of year			17,291,222	11,959,202
Movement during year:				
- Transfer from accumulated surplus			<u>4,142,183</u>	<u>5,332,020</u>
Balance at end of year			<u>21,433,405</u>	<u>17,291,222</u>
<i>Comprising:</i>				
General reserve			20,934,044	16,783,256
Portion of VAT refund in reserves			<u>499,361</u>	<u>507,966</u>
			<u>21,433,405</u>	<u>17,291,222</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011

	2011	2010
	R	R
7. Trade payables		
Sundry creditors	<u>5,986</u>	<u>21,048</u>
8. Grants received		
Current projects	5,913,123	6,100,721
Future projects	<u>9,096,146</u>	<u>8,970,631</u>
	<u>15,009,269</u>	<u>15,071,352</u>
9. Investment income		
Interest income		
- Interest received	1,634,176	1,519,945
Dividend income		
- Dividends received from listed companies	<u>187,371</u>	<u>218,257</u>
	<u>1,821,547</u>	<u>1,738,202</u>
10. Commitments		
<i>Operating lease commitments</i>		
The future minimum lease payments under non-cancellable operating leases are as follows:		
Not later than 1 year	380,156	348,767
Later than 1 year and not later than 5 years	<u>268,200</u>	<u>648,356</u>
	<u>648,356</u>	<u>997,123</u>
11. Notes to the cash flow statement		
<i>11.1 Cash generated by operating activities</i>		
Net surplus	5,450,904	7,396,297
Adjustments for:		
Depreciation	83,033	20,855
Investment income	(1,821,547)	(1,738,202)
Fair value adjustment to investments	(471,150)	(841,078)
Profit on disposal of investments	<u>(36,064)</u>	<u>(142,730)</u>
	3,205,176	4,695,142
Movements in working capital		
Increase in trade and other receivables	(40,797)	(9,202)
(Decrease)/increase in trade and other payables	<u>(15,062)</u>	<u>8,219</u>
	<u>3,149,317</u>	<u>4,694,159</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 28 February 2011

	2011	2010
	R	R
<i>11.2 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>27,754,401</u>	<u>23,754,450</u>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
DETAILED INCOME STATEMENT
for the year ended 28 February 2011

This is the start of the detailed income statement

	2011 R	2010 R
Gross revenue	15,209,269	15,194,412
Donations	200,000	123,060
Grants	15,009,269	15,071,352
Income	3,565,087	4,782,080
Cost recovery fees	1,236,326	2,060,070
Dividends received	187,371	218,257
Interest received	1,634,176	1,519,945
Profit on disposal of investments	36,064	142,730
Profit on fair value adjustment on investments	471,150	841,078
Total income	18,774,356	19,976,492
Expenditure	(13,323,452)	(12,580,195)
Advertising, promotions, marketing and publications	484,553	270,084
Audit and accounting fees	106,969	142,281
Bank and brokerage charges	106,760	101,203
Cleaning	35,130	33,080
Database	103,231	42,039
Depreciation	83,033	20,855
Dissemination and exchange of learning	557,617	844,842
General expenses	2,662	6,347
Hire of equipment	67,671	64,363
Insurance	42,835	36,789
Lease rentals	373,589	314,972
Legal expenses	24,200	33,148
Organisational evaluation and conference participation	142,649	103,792
Printing, stationery, postage and office supplies	114,098	108,687
Programmes and projects	4,144,721	3,028,578
Repairs and maintenance	96,879	118,244
Resource material	42,851	41,158
Salaries	5,117,358	4,928,293
Service providers and consultants	900,334	1,444,988
Staff and organisational development	259,334	199,582
Telecommunication	56,651	69,541
Travel - local	158,693	265,636
Travel - overseas	238,865	242,300
Utilities	10,771	10,181
Website development and Internet	51,998	109,212
Surplus for the year	5,450,904	7,396,297

The surplus includes advanced funding that will be expended during the next 2011/12 financial year.

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