The South African Institute for Advancement

'Energising civil society by inspiring a passion for philanthropy'

To Whom it may Concern

I am pleased to attach our audited financial statements for the year ended February 28, 2014 which indicates the health of Inyathelo's finances.

Of particular interest in this financial year was the surplus of R14 900 000. This includes a generous R9 million donation from The Atlantic Philanthropies to purchase our own premises. We have subsequently bought and paid for 1 100 sq m in Buchanan Square, Woodstock, Cape Town. As we have not depreciated this valuable asset, it appears as a surplus on the financial statements. However, the funds have been spent and the balance of R5 million is the operational surplus and includes funds that will be spent in the 2015 financial year.

Soraya Joonas

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NPO REGISTRATION: 023-432-NPO • TRUST REGISTRATION: IT2285/2002

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
(Masters reference IT 2285/2002)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

Mazars Inc.
Registered Auditor

General Information

Country of incorporation and domicile	South Africa
Trustees	Z Barends N Daniels N Dlamini S F Gastrow L Ntsebeza
Registered office	Mazars House Rialto Road Grand Moorings Precinct Century City 7441
Bankers	Nedbank, a division of Nedcor Bank Limited
Auditors	Mazars Inc. Registered Auditor
Masters reference number	IT 2285/2002

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

The following supplementary information does not form part of the annual financial statements and is unaudited:

INDEPENDENT AUDITOR'S REPORT 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 set out on pages 7 to 14, which comprise the statement of financial position as at 28 February 2014, 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 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 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 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 entity'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 entity'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 on page 11 of the annual financial statements.

Continued\-

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MAZARS INCORPORATED • REGISTRATION NUMBER 2005/025794/07

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST (continued)

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 2014, 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 2014, 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 INC.
Director: David Resnick
Registered Auditor
08 May 2014
Cape Town

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 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 judgements 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 set 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 income and expenditure forecast for the year to 28 February 2015 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 is responsible for independently reviewing 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 pages 3 to 4.

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 08 May 2014 and were signed on its behalf by:

Z Barends	**S F Gastrow**

The trustees submit their report for the year ended 28 February 2014.

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 matter or circumstance arising since the end of the financial year.

4. Trustees

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

Name	
Z Barends	
S F Gastrow	
N Daniels	
N Dlamini	
S F Gastrow	
G J Lundy	Resigned 31 January 2014
L Ntsebeza	

5. Auditors

Mazars Inc. will continue in office for the next financial period.

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 2014
Statement of Financial Position

Figures in Rand	Notes	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	11,688,462	-
Investments	3	16,657,806	8,935,952
		28,346,268	**8,935,952**
Current Assets			
Trade and other receivables	4	126,270	291,241
Cash and cash equivalents	5	31,201,008	35,516,988
		31,327,278	**35,808,229**
Total Assets		**59,673,546**	**44,744,181**
Equity and Liabilities			
Equity			
Trust capital	6	100	100
General reserve	7	45,102,764	32,290,638
Distributable reserve (Designated funds)		14,338,488	12,182,158
		59,441,352	**44,472,896**
Liabilities			
Current Liabilities			
Trade and other payables	8	232,194	271,285
Total Equity and Liabilities		**59,673,546**	**44,744,181**

Statement of Comprehensive Income

Figures in Rand	Notes	2014	2013
Revenue	9	18,313,615	18,159,674
Other income		2,108,366	1,448,979
Operating expenses		(17,888,280)	(18,167,430)
Operating surplus		**2,533,701**	**1,441,223**
Investment revenue	10	2,506,067	2,198,590
Fair value adjustments		928,688	1,135,548
Surplus before special grant (refer to Note 1)		**5,968,456**	**4,775,361**
Special grant for purchase of building		9,000,000	-
Surplus for the year (refer to Note 2)		**14,968,456**	**4,775,361**

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

Note 2: Had the Trust depreciated its building in the year of purchase, this surplus would have been reduced by R11,688,462. The Trust has elected not to depreciate the cost of purchased building in the year of purchase.

Statement of Changes in Equity

Figures in Rand	Trust capital	General reserve	Distributable reserve (Designated funds)	Total equity
Balance at 01 March 2012	**100**	**25,883,021**	**13,814,414**	**39,697,535**
Changes in equity				
Surplus for the year	-	-	4,775,361	4,775,361
Transfer to general reserve	-	6,407,617	(6,407,617)	-
Total changes	-	6,407,617	(1,632,256)	4,775,361
Balance at 01 March 2013	**100**	**32,290,638**	**12,182,158**	**44,472,896**
Changes in equity				
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	2,156,330	14,968,456
Balance at 28 February 2014	**100**	**45,102,764**	**14,338,488**	**59,441,352**
Notes	6	7		

Statement of Cash Flows

Figures in Rand	Notes	2014	2013
Cash flows from operating activities			
Cash generated from operations	12	2,523,044	2,077,631
Interest income		2,322,664	2,001,648
Grant received		9,000,000	-
Dividends received		183,403	196,942
Net cash from operating activities		**14,029,111**	**4,276,221**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(11,768,220)	(755,342)
Purchase of investments		(7,003,733)	(705,286)
Proceeds on disposal of investments		426,862	540,577
Net cash from investing activities		**(18,345,091)**	**(920,051)**
Total cash movement for the year		**(4,315,980)**	**3,356,170**
Cash at the beginning of the year		35,516,988	32,160,818
Total cash at end of the year	5	**31,201,008**	**35,516,988**

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 intially 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.

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 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits. These are initally and subsequently recorded on the historical cost basis.

1.5 Trade and other payables

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

1.6 Revenue

Revenue is recognised once donations and grants have been received.

Interest is recognised in profit or loss for the year, using the effective interest rate method.

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

Figures in Rand	2014	2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Audiovisual equipment	185,866	(185,866)	-	185,866	(185,866)	-
Buildings	11,688,462	-	11,688,462	-	-	-
Computer equipment	543,501	(543,501)	-	477,078	(477,078)	-
Computer software	23,696	(23,696)	-	17,158	(17,158)	-
Furniture and fittings	1,386,888	(1,386,888)	-	1,385,178	(1,385,178)	-
Office equipment	64,275	(64,275)	-	59,187	(59,187)	-
Telephone equipment	99,586	(99,586)	-	99,586	(99,586)	-
Total	**13,992,274**	**(2,303,812)**	**11,688,462**	**2,224,053**	**(2,224,053)**	**-**

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Depreciation	Total
Buildings	-	11,688,462	-	11,688,462
Computer equipment	-	66,422	(66,422)	-
Computer software	-	6,538	(6,538)	-
Furniture and fittings	-	1,710	(1,710)	-
Office equipment	-	5,088	(5,088)	-
	-	**11,768,220**	**(79,758)**	**11,688,462**

Reconciliation of property, plant and equipment - 2013

	Opening Balance	Additions	Depreciation	Total
Audiovisual equipment	-	34,421	(34,421)	-
Computer equipment	-	118,312	(118,312)	-
Furniture and fittings	-	577,658	(577,658)	-
Telephone equipment	-	24,951	(24,951)	-
	-	**755,342**	**(755,342)**	**-**

3. Investments

At fair value through surplus or deficit for the year

	2014	2013
Listed shares at market value	16,657,806	8,935,952

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 2014 and 2013, as all the financial assets were disposed of at their redemption date.

Figures in Rand	2014	2013

4. Trade and other receivables

VAT	87,403	252,741
Other receivables	367	-
Deposit	38,500	38,500
	126,270	**291,241**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7,537	7,537
Bank balances	17,650,119	16,199,880
Deposits	7,083,198	18,271,753
Other cash and cash equivalents	6,460,154	1,037,818
	31,201,008	**35,516,988**

6. Trust capital

Capital account

Initial donation	100	100

7. General reserve

Balance at beginning of year	32,290,638	25,883,021
Movement during the year		
- Transfer from accumulated surplus	12,812,126	6,407,617
	45,102,764	**32,290,638**

Comprising		
General reserve	44,331,970	31,902,025
Portion of trading VAT refund in reserves	770,794	388,613
	45,102,764	**32,290,638**

8. Trade and other payables

Accrued leave pay	195,133	250,065
Deposits received	35,140	-
Sundry creditors	1,921	21,220
	232,194	**271,285**

9. Revenue

Donations received	1,204,765	515,305
Grants received	17,108,850	17,644,369
	18,313,615	**18,159,674**

Figures in Rand	2014	2013

10. Investment revenue

Dividend revenue		
Dividends received from listed companies	183,403	196,942
Interest revenue		
Interest received	2,322,664	2,001,648
	2,506,067	**2,198,590**

11. Grants received

Current projects	7,822,820	7,712,815
Future projects	9,286,030	9,931,554
	17,108,850	**17,644,369**

12. Cash generated from operations

Surplus for the year	5,968,456	4,775,361
Adjustments for:		
Depreciation	79,759	755,342
Profit on disposal of investments	(233,361)	(81,770)
Dividends received	(183,403)	(196,942)
Interest received	(2,322,664)	(2,001,648)
Fair value adjustments to investments	(928,688)	(1,135,548)
Other non-cash items	17,065	-
Changes in working capital:		
Trade and other receivables	164,971	(155,542)
Trade and other payables	(39,091)	118,378
	2,523,044	**2,077,631**

13. Commitments

Operating lease commitments

Minimum lease payments due		
- within one year	737,255	789,981
- in second and third years inclusive	526,251	1,281,255
	1,263,506	**2,071,236**

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 2014
Detailed Income Statement

Figures in Rand	Notes	2014	2013
Revenue			
Grants	11	17,108,850	17,644,369
Donations received		1,204,765	515,305
	9	**18,313,615**	**18,159,674**
Other income			
Cost recovery fees		1,875,005	1,367,209
Dividends received	10	183,403	196,942
Interest received	10	2,322,664	2,001,648
Profit on disposal of investments		233,361	81,770
Fair value adjustments on investments		928,688	1,135,548
		5,543,121	**4,783,117**
Operating expenses			
Advertising, promotions, marketing and publications		486,538	628,626
Audit and accounting fees		160,983	157,931
Bank and portfolio management charges		239,032	158,254
Cleaning		56,216	61,393
Database		45,400	89,985
Depreciation		79,759	755,342
Dissemination and exchange of learning		289,937	502,030
General expenses		7,860	6,825
Hire of equipment		87,619	96,022
Insurance		54,230	48,654
Lease rentals		594,659	552,919
Legal expenses		25,544	25,777
Printing, stationery, postage and office supplies		190,569	176,673
Programmes and projects		5,234,164	5,702,584
Repairs and maintenance		122,223	181,051
Resource material		54,614	40,652
Salaries		7,652,089	7,135,515
Service providers and consultants		843,625	967,292
Staff and organisational development		418,563	220,869
Telecommunication		85,747	108,179
Travel - international and local		1,093,478	479,270
Website development and internet		65,431	71,587
		17,888,280	**18,167,430**
Surplus before special grant (refer to Note 1)		**5,968,456**	**4,775,361**
Special grant for purchase of building		9,000,000	-
Surplus for the year (refer to Note 2)		**14,968,456**	**4,775,361**

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

Note 2: Had the Trust depreciated its building in the year of purchase, this surplus would have been reduced by R11,688,462. The Trust has elected not to depreciate the cost of purchased building in the year of purchase.

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