

MAZARS
Registered Auditor
Issued 14 August 2018

SOUTHERN AFRICA TRUST
(Registration Number: IT3101/05)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Southern Africa Trust
 (Registration number: IT3101/05)
 Annual Financial Statements for the year ended 31 March 2018
 General Information

Country of incorporation and domicile

South Africa

Trustees

Collins Magalasi
 Khabele Matlosa
 Sergio Zefirino De Asis Calundungo
 Shireen Motara
 Stigmata Tenga
 Loganaden Munneesamy
 Mariam Bibi Rasid Umarji
 Sandile Elias Mabuza

Registered office

45 Kyalami Boulevard
 Kyalami Park
 Midrand
 South Africa

Business address

45 Kyalami Boulevard
 Kyalami Park
 Midrand
 South Africa

Auditors

Mazars Gauteng
 Registered Auditors

Trust registration number

IT3101/05

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Trust deed.

Preparer

The annual financial statements were independently compiled by:

Ronnie Buch

Chartered Accountant (SA)

Issued

14 August 2018

Southern Africa Trust
 (Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
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The reports and statements set out below comprise the annual financial statements presented to the trustee:

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**Southern Africa Trust
(Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
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 basis of accounting as set out in Note 1 to the financial statements. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

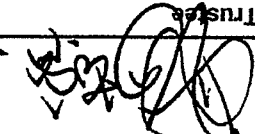
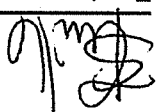
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards 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 31 March 2019 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 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 pages 4 to 6.

The annual financial statements set out on pages 9 to 19 and the trustees' report on pages 7 to 8, which have been prepared on the going concern basis, were approved by the board of trustees on 14 August 2018 and were signed on its behalf by:

Trustee 
Trustee 

Independent Auditor's Report

To the Trustees of Southern Africa Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southern Africa Trust set out on pages 9 to 18, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southern Africa Trust as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the accounting policies presented in the trust deed and the attached financial statements.

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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

MAZARS HOUSE 54 GLENHOVE ROAD MELROSE ESTATE 2196 • PO BOX 6697 JOHANNESBURG 2000 • DOCEX 703

JOHANNESBURG

TEL: +27 11 547 4000 • FAX: +27 11 484 7864 • jhb@mazars.co.za • www.mazars.co.za

PARTNERS: H SAVEN (NATIONAL CHAIRMAN), MV NINAN (MANAGING PARTNER), SJ ADLAM, B BANK, R BUCH, JC COMBRINK, GJ DE BEER, JJ ELOFF, MH FISHER, M GROBBELAAR, GD JACKSON, MV PATEL, S RANCHHOJEE, NP SWARTZ, DM TEKIE, S TRUTER, S VORSTER

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Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies documented in the trust deed, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

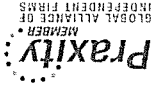
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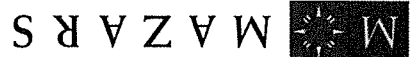
JOHANNESBURG

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- Conclude on the appropriateness of the directors' 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 company'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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

As part of our audit of the financial statements for the year ended 31 March 2018, we have read the Director's Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. The Director's Report is the responsibility of the directors. Based on our reading of the Directors' Report we have not identified material inconsistencies between the report and the audited annual financial statements. However, we have not audited the Director's Report and accordingly do not express an opinion thereon.

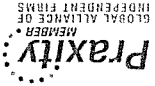
Mazars
Partner: Miles Fisher
Registered Auditor
14 August 2018
Johannesburg

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

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The trustees have pleasure in submitting their report on the annual financial statements of Southern Africa Trust for the year ended 31 March 2018.

1. Nature of business

The Southern Africa Trust was established in 2005 to support civil society organisations in southern Africa to participate effectively and with credibility in policy dialogue so that the voices of the poor can have a better impact in the development of public policies.

There have been no material changes to the nature of the Trust's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with Entity specific basis of accounting as stipulated in the trust deed. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Trust are set out in these annual financial statements.

3. Trustees

The trustees in office at the date of this report are as follows:

| Trustees | Office | Date of appointment |
|-------------------------------------|-------------|----------------------------|
| Collins Magalasi | Chairperson | Appointed 28 February 2018 |
| Khabele Matlosa | | Appointed 28 February 2018 |
| Sergio Zeferrino De Asis Calundungo | | Appointed 28 February 2018 |
| Shireen Motara | | |
| Stigmata Tenga | | |
| Loganaden Munnesamy | | |
| Mariam Bibi Rasid Umarji | | |
| Sandile Elias Mabuza | | |

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Trust or in the policy regarding their use.

At 31 March 2018 the Trust's investment in property, plant and equipment amounted to R11,271,176 (2017: R390,650), of which R11,669,776 (2017: R148,202) was added in the current year through additions.

5. 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.

6. 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 and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the Trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.

7. Auditors

Mazars Gauteng continued in office as auditors of the Trust for 2018.

8. Date of authorisation for issue of annual financial statements
The annual financial statements have been authorised for issue by the trustees on 14 August 2018. No authority was given to anyone to amend the financial statements after the date of issue.

Southern Africa Trust
(Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
Trustees' Report

Southern Africa Trust
(Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
Statement of Financial Position as at 31 March 2018

| Figures in Rand | Notes | 2018 | 2017 |
|-------------------------------------|-------|-------------------|-------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 11,271,176 | 390,650 |
| Current Assets | | | |
| Trade and other receivables | 3 | 3,476 | 163,310 |
| Cash and cash equivalents | 4 | 24,853,732 | 30,837,737 |
| Total Assets | | 36,128,384 | 31,391,697 |
| Equity and Liabilities | | | |
| Equity | | | |
| Trust capital | 5 | 100 | 100 |
| Reserves | | 31,001,743 | 27,016,151 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 6 | 1,827,968 | 1,185,292 |
| Provisions | 7 | 3,298,573 | 3,190,154 |
| Total Equity and Liabilities | | 36,128,384 | 31,391,697 |

Southern Africa Trust
 (Registration number: IT3101/05)
 Annual Financial Statements for the year ended 31 March 2018
 Statement of Comprehensive Income

| Figures in Rand | | Notes | 2018 | 2017 |
|-----------------------------|--|-------|-------------------|-------------------|
| Grant income received | | 8 | 48,020,849 | 62,401,108 |
| Grant income disbursed | | | (12,807,214) | (24,930,216) |
| Gross surplus | | | 35,213,635 | 37,470,892 |
| Other income | | 9 | 4,814,458 | 136,765 |
| Operating expenses | | | (37,527,174) | (30,761,111) |
| Operating surplus | | | 2,500,919 | 6,846,546 |
| Investment revenue | | 10 | 1,484,673 | 1,591,026 |
| Surplus for the year | | | 3,985,592 | 8,437,572 |

Southern Africa Trust
 (Registration number: IT3101/05)
 Annual Financial Statements for the year ended 31 March 2018
 Statement of Changes in Equity

| Figures in Rand | | | |
|--|---------------|--------------------------------|---------------------|
| | Trust capital | Grants for future disbursement | Accumulated surplus |
| | Total equity | | |
| Balance at 01 April 2016 | 100 | 18,578,582 | - |
| Surplus for the year | - | - | 8,437,569 |
| Transfer from grants for future disbursement | - | (18,578,582) | 18,578,582 |
| Transfer to grants for future disbursement | - | 27,016,151 | (27,016,151) |
| Balance at 01 April 2017 | 100 | 27,016,151 | - |
| Surplus for the year | - | - | 3,985,592 |
| Transfer from grants for future disbursement | - | (27,016,151) | 27,016,151 |
| Transfer to grants for future disbursement | - | 31,001,743 | (31,001,743) |
| Total changes | - | 3,985,592 | (3,985,592) |
| Balance at 31 March 2018 | 100 | 31,001,743 | - |
| | | | 31,001,843 |

Southern Africa Trust
 (Registration number: IT3101/05)
 Annual Financial Statements for the year ended 31 March 2018
 Statement of Cash Flows

| Figures in Rand | Notes | 2018 | 2017 |
|---|-------|--------------------|-------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 11 | 4,201,098 | 6,427,084 |
| Interest income | | 1,484,673 | 1,591,026 |
| Net cash from operating activities | | <u>5,685,771</u> | <u>8,018,110</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (11,669,776) | (148,202) |
| Total cash movement for the year | | <u>(5,984,005)</u> | <u>7,869,908</u> |
| Cash at the beginning of the year | | 30,837,737 | 22,967,829 |
| Total cash at end of the year | 4 | <u>24,853,732</u> | <u>30,837,737</u> |

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow into the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|----------------------------|---------------------|---------------------|
| Buildings | Straight line | 20 years |
| Furniture and fixtures | Straight line | 10 years |
| Motor vehicles | Straight line | 5 years |
| Audio and visual equipment | Straight line | 5 years |
| IT equipment | Straight line | 3 years |
| Marketing materials | Straight line | 3 years |

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate, the change will be accounted for as a change in accounting estimate.

The depreciation charge for the period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are recognised in profit or loss in the period when the item is derecognised.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The Trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity instruments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial assets which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

The initial fair value of such assets is the cash consideration given or received.

Trade and other receivables

Trade and other receivables are classified as loans and receivables, and are initially and subsequently measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Impairment of assets

The Trust assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Trust estimates the recoverable amount of the asset.

If there is any such indication, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.4 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those wholly due within 12 months after the end of the period in which the employees rendered the related service), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absence is recognised as an expense as the employees render services that increase their entitlement or, in case of non-accumulating absences, when the absence occurs.

Defined contribution plans

Payments to defined contribution retirement benefit plans are governed by the Pensions Fund Act and are charged as an expense as they fall due.

1.5 Provisions and contingencies

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event; it is probable that the Trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Partner's provisions are measured at the estimated amounts of grants to be disbursed. These are grants whom the Trust has committed to paying on condition that certain requirements are met.

Provisions are not recognised for future operating losses.

1.6 Grants

Grants are recognised when there is reasonable assurance that:

- the Trust will comply with the conditions attaching to them; and
- the grants will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

1.7 Interest income

Interest income is recognised, in profit or loss. The amount recognised is measured at the rate determined by the financial institutions and is recognised at the amount obtained from the financial institutions.

1.8 Trust capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Trust capital is classified as equity.

1.9 Revenue

Donor grants are recognised as income over the period necessary to match them to the related cost on a systematic basis. Grants received as compensation for expense or losses already incurred or for the purpose of immediate financial support with no future related costs are recognised as income in the period in which they become receivable.

Southern Africa Trust
 (Registration number: IT3101/05)
 Annual Financial Statements for the year ended 31 March 2018
 Notes to the Annual Financial Statements

Figures in Rand

| | 2018 | 2017 |
|--|------|------|
|--|------|------|

2. Property, plant and equipment

| | 2018 | 2017 | 2018 | 2017 | |
|----------------------------|-------------------|--------------------------|-------------------|-------------------|--------------------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation |
| Buildings | 10,887,000 | (498,988) | 10,388,012 | 10,388,012 | - |
| Furniture and fixtures | 1,094,970 | (771,541) | 323,429 | 803,070 | (723,090) |
| Motor vehicles | 685,687 | (675,408) | 10,279 | 685,687 | (592,542) |
| Office equipment | 5,187 | - | 5,187 | - | - |
| IT equipment | 1,148,877 | (851,954) | 296,923 | 928,201 | (710,676) |
| Audio and visual equipment | 329,916 | (82,570) | 247,346 | 64,902 | (64,902) |
| Marketing materials | 92,469 | (92,469) | - | 92,469 | (92,469) |
| Total | 14,244,106 | (2,972,930) | 11,271,176 | 2,574,329 | (2,183,679) |
| | 390,650 | 390,650 | 11,271,176 | 11,271,176 | 390,650 |

Marketing materials have been fully depreciated but not yet disposed of. These assets are however not in use by the Trust.

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Depreciation | Total | |
|----------------------------|-----------------|-------------------|------------------|-------------------|--|
| Buildings | - | 10,887,000 | (498,988) | 10,388,012 | |
| Furniture and fixtures | 79,980 | 291,900 | (48,451) | 323,429 | |
| Motor vehicles | 93,145 | - | (82,866) | 10,279 | |
| Office equipment | - | 5,187 | - | 5,187 | |
| IT equipment | 217,525 | 220,675 | (141,277) | 296,923 | |
| Audio and visual equipment | - | 265,014 | (17,668) | 247,346 | |
| Total | 390,650 | 11,669,776 | (789,250) | 11,271,176 | |

Reconciliation of property, plant and equipment - 2017

| | Opening balance | Additions | Depreciation | Total | |
|------------------------|-----------------|----------------|------------------|----------------|--|
| Furniture and fixtures | 160,230 | - | (80,250) | 79,980 | |
| Motor vehicles | 176,011 | - | (82,866) | 93,145 | |
| IT equipment | 181,926 | 148,202 | (112,603) | 217,525 | |
| Total | 518,167 | 148,202 | (275,719) | 390,650 | |

3. Trade and other receivables

| | | | | | |
|--------------|-------------|--------------|---|----------------|--|
| | Prepayments | 3,476 | - | 103,322 | |
| | Deposits | - | - | 59,988 | |
| Total | | 3,476 | | 163,310 | |

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | | | | |
|--|---------------|------------|---|------------|--|
| | Bank balances | 24,853,732 | - | 30,837,737 | |
|--|---------------|------------|---|------------|--|

Southern Africa Trust
(Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
Notes to the Annual Financial Statements

| Figures in Rand | | 2018 | 2017 |
|-----------------|---------------------------------|------------------|------------------|
| 5. | Trust capital | 100 | 100 |
| | Capital account / Trust capital | | |
| | Balance at beginning of year | | |
| 6. | Trade and other payables | | |
| | Trade payables | 1,006,132 | 569,259 |
| | Other payables | 583,125 | 532,991 |
| | Accrued expense | 48,225 | 83,042 |
| | Deposits received | 190,486 | - |
| | | <u>1,827,968</u> | <u>1,185,292</u> |

7. Provisions

Reconciliation of provisions - 2018

| | Opening balance | Additions | Utilised during the year | Total |
|---------------------------|-----------------|------------|--------------------------|---------------------|
| Partner's grant provision | 2,505,000 | 12,807,214 | (12,807,214) | 2,505,000 |
| Leave pay provision | 685,154 | 262,679 | (154,260) | 793,573 |
| | | | | <u>3,190,154</u> |
| | | | | <u>13,069,893</u> |
| | | | | <u>(12,961,474)</u> |
| | | | | <u>3,298,573</u> |

Reconciliation of provisions - 2017

| | Opening balance | Additions | Utilised during the year | Reversed during the year | Total |
|-----------------------------|-----------------|------------|--------------------------|--------------------------|---------------------|
| Partner's grant provision | 3,293,560 | 24,929,641 | (25,718,201) | - | 2,505,000 |
| Leave pay provision | 259,745 | 764,102 | (338,693) | - | 685,154 |
| Thirteenth Cheque provision | 1,000 | - | - | (1,000) | - |
| | | | | | <u>3,190,154</u> |
| | | | | | <u>25,693,743</u> |
| | | | | | <u>(26,056,894)</u> |
| | | | | | <u>(1,000)</u> |
| | | | | | <u>3,190,154</u> |

The partners's grant provision represents management's best estimate of the Trust's liability relating to the partners's grants approved but not yet paid.

| Figures in Rand | |
|--|-------------|
| 2018 | 2017 |
| 8. Grant income received | 62,401,108 |
| Grant income received | 48,020,849 |
| Grant income received reconciliation | 152,111 |
| African Grant Makers Affinity Group | 119,428 |
| African Philanthropy Network subscriptions (APN) | 218,504 |
| CS Mott Foundation | 4,860,858 |
| DFID (UK - Department for International Development) | 31,084,007 |
| Department of International Development (DFID) (USDPA) | 24,095,228 |
| Ford Foundation | 14,987,418 |
| GIZ | 4,682,144 |
| IREX | 721,703 |
| Imani Development | 1,270,832 |
| Institute of International Education | 154,137 |
| Rwanda Government | - |
| Social Justice Initiative | 15,499 |
| Trust Africa | 83,018 |
| UNISA (Yall Project) | 394,720 |
| 9. Other income | 136,765 |
| Other income | 4,814,458 |
| 10. Investment revenue | 1,591,026 |
| Interest revenue | 1,484,673 |
| Bank | 1,591,026 |
| 11. Cash generated from operations | 8,437,572 |
| (Loss)/profit before taxation | 3,985,592 |
| Adjustments for: | 275,719 |
| Depreciation | 789,250 |
| Interest received | (1,484,673) |
| Movements in provisions | 108,419 |
| Changes in working capital: | 30,127 |
| Trade and other receivables | 159,834 |
| Trade and other payables | 642,676 |
| | 4,201,098 |
| | 6,427,084 |

Southern Africa Trust
(Registration number: IT3101/05)
Annual Financial Statements for the year ended 31 March 2018
Detailed Income Statement

| Figures in Rand | Notes | 2018 | 2017 |
|--|-------|---------------------|---------------------|
| Grant income received | | 48,020,849 | 62,401,108 |
| Grant income disbursed | | (12,807,214) | (24,930,216) |
| Gross surplus | | 35,213,635 | 37,470,892 |
| Other income | | 4,814,458 | 136,765 |
| Other income | 10 | 1,484,673 | 1,591,026 |
| 6,299,131 | | 6,299,131 | 1,727,791 |
| Operating expenses | | (128,860) | (110,580) |
| Auditors remuneration | | (128,860) | (110,580) |
| Bank charges | | (112,767) | (103,628) |
| Business development and sustainability | | (5,846,617) | (723,178) |
| Chair in African philanthropy | | (1,476,133) | (2,838,319) |
| Communications and marketing | | (328,004) | (71,546) |
| Delivery expenses | | (6,300) | (11,375) |
| Depreciation, Amortization and Impairments | | (789,250) | (275,719) |
| Employee costs | | (11,539,011) | (11,939,816) |
| Governance | | (940,032) | (1,008,611) |
| Lease rentals on property | | (841,156) | (1,108,958) |
| Legal expenses | | (139,234) | (138,486) |
| Loss on exchange differences | | (39,432) | (13,181) |
| M&E and Organisational Development | | (134,393) | - |
| Meetings, workshops and conferences | | (3,557,130) | (2,749,893) |
| Monitoring and evaluation | | (333,849) | (240,400) |
| Motor vehicle expenses | | (34,297) | (43,577) |
| Office running costs | | (1,199,840) | (698,874) |
| Postage | | (550) | (550) |
| Printing and stationery | | (72,727) | (81,581) |
| Research | | (1,735,424) | (1,248,733) |
| Security | | (10,064) | (13,300) |
| Special events | | (752,631) | (732,303) |
| Subscriptions | | (6,162) | (9,265) |
| Technical support | | (5,801,161) | (4,314,159) |
| Telephone and fax | | (48,533) | - |
| Training | | (177,305) | (66,121) |
| Travel | | (1,298,123) | (2,032,064) |
| Utilities | | (178,189) | (181,996) |
| Surplus for the year | | 3,985,592 | 8,442,470 |
| | | (37,527,174) | (30,756,213) |