

**FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)  
(A Non-Profit Organisation)**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

# FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2011

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

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# Ransome Russouw

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## REPORT OF THE INDEPENDENT AUDITORS

### **To the members of The Financial Aid Practitioners of South Africa (FAPSA)**

We have audited the accompanying annual financial statements of The Financial Aid Practitioners of South Africa (FAPSA), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

### **Auditors' Responsibility**

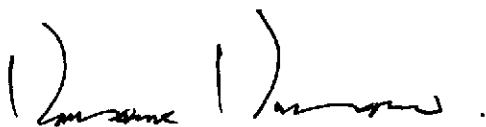
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual 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 auditors' judgment, 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 executive committee, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Council at 31 December 2011, and of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Entities.



**Ransome Russouw**  
**Chartered Accountants (S.A)**  
**Registered Auditors**

**Per: HJ Russouw**  
**Partner**  
**8 June 2012**

## **FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)**

Annual Financial Statements for the year ended 31 December 2011

### **Management Committee's Responsibilities and Approval**

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The management committee is required by the International Financial Reporting Standards (IFRS) for Small and Medium Entities, to maintain adequate accounting records and is 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 council as at the year ended 31 December 2011 and the results of its operations and cash flow for the year then ended, in conformity with International Financial Reporting Standards (IFRS) for Small and Medium Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The management committee acknowledges that it is ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the management committee to meet these responsibilities, it 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 council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the management committee endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management committee is 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 the reasonable, and not absolute, assurance against material misstatement or loss.

The management committee has reviewed the council's cash flow forecast for the year ended 31 December 2012 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the management committee is primarily responsible for the financial affairs of the council, it is supported by the council's external auditors.

The external auditors are responsible for independently reviewing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page 2.

The annual financial statements set out on pages 4 to 9, which have been prepared on the going concern basis, were approved by the management committee on 8 June 2012 and were signed on its behalf by:

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President

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Management committee member

# FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2011

## **Management Committee's Report**

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The management committee submits its report for the year ended 31 December 2011.

### **1. Objectives**

The objectives of the council are to promote, inter alia, the professionalism, preparation, best practices, effectiveness and networking of financial aid practitioners, administrators and counsellors of student financial aid in tertiary institutions, provincial and government departments, para-statal and corporate organisations.

### **2. Review of activities**

#### **Main business operations**

The financial position of the council at 31 December 2011 and the results of its operating activities and cash flows for the 12 months ended on 31 December 2011 are fully set out in the accompanying annual financial statements.

### **3. 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.

### **4. Post balance sheet events**

The management committee is not aware of any material matter or circumstance which significantly affects the operations of the council or the assets and liabilities as reported at balance sheet date, that have not otherwise been dealt with in the council's annual financial statements set out below.

### **5. Management committee**

The composition of the management committee at year end and at the date of this report was:

President: Miss B Sithole (Tswane North College)

Deputy President: Mr W Muller (Office of the Premier: EC)

Secretary: Mr N Sithole (Tswane North College)

Treasurer: Mr C Williams (Boland College)

Additional members: Mr V Naidoo (Univ. of Zululand), Mrs B Mzima (PE College)

#### **Administrator**

Duties are shared by the management committee.

The business and postal addresses are as follows:

#### **Business address**

C/O Miss Busisiwe Sithole  
Witwatersrand University  
David Webster Hall, Room L053  
1 Jan Smuts Avenue  
Braamfontein  
2000

**FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)**

Annual Financial Statements for the year ended 31 December 2011

**Statement of Financial Position**

|                                       | <b>Note</b> | <b>2011<br/>R</b> | <b>2010<br/>R</b> |
|---------------------------------------|-------------|-------------------|-------------------|
| <b>ASSETS</b>                         |             |                   |                   |
| <b>Current assets</b>                 |             |                   |                   |
| Cash and cash equivalents             | 1           | <u>172 260</u>    | <u>139 669</u>    |
|                                       |             | <u>172 260</u>    | <u>139 669</u>    |
| <b>Total assets</b>                   |             | <u>172 260</u>    | <u>139 669</u>    |
| <b>RESERVES AND LIABILITIES</b>       |             |                   |                   |
| <b>Reserves - Retained income</b>     |             |                   |                   |
| Balance at end of year                | 2           | 172 260           | 139 669           |
| <b>Current liabilities</b>            |             |                   |                   |
| Accounts payable                      |             | <u>-</u>          | <u>-</u>          |
|                                       |             | <u>-</u>          | <u>-</u>          |
| <b>Total reserves and liabilities</b> |             | <u>172 260</u>    | <u>139 669</u>    |

**FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)**

Annual Financial Statements for the year ended 31 December 2011

**Statement of Comprehensive Income**

|                               | Note | 2011<br>R      | 2010<br>R      |
|-------------------------------|------|----------------|----------------|
| <b>Income</b>                 |      |                |                |
| Conference fees               |      | 414 855        | 476 646        |
| Interest received             |      | 2 992          | 2 295          |
| Refunds consultants           |      | -              | 44 302         |
| Sponsorship                   |      | -              | 146 414        |
| Sundry income                 |      | 3 500          | 3 500          |
|                               |      | <u>421 347</u> | <u>673 157</u> |
| <b>Expenditure</b>            |      |                |                |
| Administration                |      | -              | 1 205          |
| Advertising and promotions    |      | 23 316         | -              |
| Allowances                    |      | 14 371         | -              |
| Auditors' remuneration - fees |      | 3 500          | 3 500          |
| Bank charges                  |      | 1 001          | 1 069          |
| Conference cost               |      | 346 568        | 513 170        |
| NSFAS Study tour - USA        |      | -              | 41 840         |
|                               |      | <u>388 756</u> | <u>560 785</u> |
| <b>Net income for year</b>    | 3    | <u>32 591</u>  | <u>112 372</u> |

**Statement of Changes in Reserves**

|                                    | Note | Retained<br>income<br>R | Total<br>R     |
|------------------------------------|------|-------------------------|----------------|
| <b>Balance at 1 January 2010</b>   |      | 27 297                  | 27 297         |
| Surplus for year                   |      | 112 372                 | 112 372        |
| <b>Balance at 1 January 2011</b>   |      | 139 669                 | 139 669        |
| Surplus for year                   |      | 32 591                  | 32 591         |
| <b>Balance at 31 December 2011</b> |      | <u>172 260</u>          | <u>172 260</u> |

**FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)**

Annual Financial Statements for the year ended 31 December 2011

**Statement of Cash Flows**

|   | <b>Note</b> | <b>2011<br/>R</b> | <b>2010<br/>R</b> |
|---|-------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>         |             |                   |                   |
| Net income for year before interest                 |             | 29 599            | 110 077           |
| Interest received                                   |             | 2 992             | 2 295             |
| <b>Net cash generated from operating activities</b> |             | <u>32 591</u>     | <u>112 372</u>    |
| <b>Total cash movement for the year</b>             |             | 32 591            | 112 372           |
| Cash at the beginning of the year                   |             | 139 669           | 27 297            |
| <b>Total cash at end of the year</b>                | 1           | <u>172 260</u>    | <u>139 669</u>    |



**Accounting Policies**

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**1 Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Entities. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous year.

**1.1 Financial instruments**

**Trade and other receivables**

Trade receivables are initially and subsequently measured at the expected recoverable amount. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

**Trade and other payables**

Trade payables are initially and subsequently measured at the expected outflow of resources required to settle the liability. Due to the short term nature of these liabilities the carrying value is deemed to approximate their fair values.

**Cash and cash equivalents**

Cash and cash equivalents comprise short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying value of these assets is considered to approximate their fair values.

**1.2 Revenue**

Revenue from conference and other fees is accounted for on a cash received basis.

Revenue is recognised when all the following conditions have been satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the service will flow to the Association; and
- the costs incurred or to be incurred in respect of the service can be measured reliably.

# FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2011

## Notes to the Annual Financial Statements

|  | 2011           | 2010           |
|--|----------------|----------------|
|  | R              | R              |
| <b>1. Cash and cash equivalents</b>        |                |                |
| FNB Business 32 day notice deposit account | 108 802        | 108 802        |
| FNB Business cheque account                | <u>63 458</u>  | <u>30 867</u>  |
|  | <u>172 260</u> | <u>139 669</u> |

## 2. Reserves

The council is required in terms of its constitution to utilize its funds solely for the objectives for which it has been established. On disbanding as an official body, any accumulated surplus will be equally redistributed to the existing member institutions.

## 3. Taxation

No provision has been made for taxation as receipts by or accruals to the council are exempt from income tax. Official exemption is to be confirmed with the commissioner's office.