

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

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

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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 2012, 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 2012, 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
10 June 2014

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

Management Committee's Responsibilities and Approval

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 2012 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.

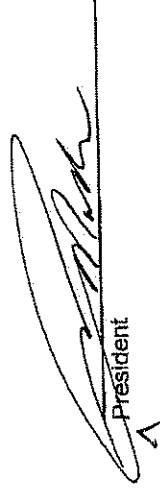
The management committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal 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 2013 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.

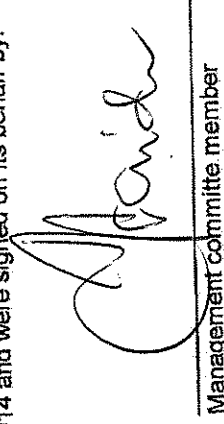
Although the management committee is primarily responsible for the financial affairs of the council, it is supported by the council's external auditors.

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 10 June 2014 and were signed on its behalf by:



President



Management committee member

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

Management Committee's Report

The management committee submits its report for the year ended 31 December 2012.

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 counselors of student financial aid in tertiary institutions, provincial and government departments, para-statal and corporate

2. Review of activities

Main business operations

The financial position of the council at 31 December 2012 and the results of its operating activities and cash flows for the 12 months ended on 31 December 2012 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 2012

Statement of Financial Position

	2012	2011
	R	R
ASSETS		
Current assets		
Prepayment - 2013 Conference	25,900	-
Cash and cash equivalents	190,939	172,260
	<u>216,839</u>	<u>172,260</u>
Total assets	<u>216,839</u>	<u>172,260</u>
RESERVES AND LIABILITIES		
Reserves - Retained income		
Balance at end of year	216,839	172,260
Current liabilities		
Accounts payable	-	-
Total reserves and liabilities	<u>216,839</u>	<u>172,260</u>

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

Statement of Comprehensive Income

	2012	2011
	R	R
Income		
Conference - net income	879,011	414,855
- Income	(804,878)	(346,568)
- Expenses	<u>74,133</u>	<u>68,287</u>
Interest received	2,870	2,992
Sundry income	3,500	3,500
	<u>80,503</u>	<u>74,779</u>
Expenditure		
Administration	5,400	-
Advertising and promotions	-	23,316
Allowances	-	14,371
Auditors' remuneration - fees	3,500	3,500
Bank charges	2,405	1,001
Meeting expenses	24,619	-
	<u>35,924</u>	<u>388,756</u>
Income for year	<u>44,579</u>	<u>32,591</u>
	3	

Statement of Changes in Reserves

	Retained income	Total
	R	R
Balance at 1 January 2011	139,669	139,669
Income for year	<u>32,591</u>	<u>32,591</u>
Balance at 1 January 2012	172,260	172,260
Income for year	<u>44,579</u>	<u>44,579</u>
Balance at 31 December 2012	<u>216,839</u>	<u>216,839</u>

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

<u>Statement of Cash Flows</u>	<u>2012</u>	<u>2011</u>
	<u>R</u>	<u>R</u>
Cash flows from operating activities		
Net income for year before interest	41,709	29,599
Working capital - Prepayment	(25,900)	-
Interest received	2,870	2,992
	<u>18,679</u>	<u>32,591</u>
Net cash generated from operating activities		
Total cash movement for the year	18,679	32,591
Cash at the beginning of the year	172,260	139,669
	<u>190,939</u>	<u>172,260</u>
Total cash at end of the year	1	172,260

FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA (FAPSA)

Annual Financial Statements for the year ended 31 December 2012

Accounting Policies

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)

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Notes to the Annual Financial Statements

	2012	2011
	R	R
1. Cash and cash equivalents		
FNB Business call account	109,056	108,802
FNB Business cheque account	<u>81,883</u>	<u>63,458</u>
	<u>190,939</u>	<u>172,260</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.