

**The South African Securitisation Forum
Annual Financial Statements
for the year ended 28 February 2011**

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General Information

Nature of business and principal activities To promote the development of securitisation in South Africa.

Executive committee members	Name	Change in appointment
	A Pottas (Chairman)	
	B Harmse	
	R Kelso (Treasurer)	
	M Roosen	
	S Howie	
	C Michaelides	
	J Paterson	
	R Hayne	
	R Roothman	
	O Meshoe-Majola	
	J Martin	
	B Van de Merwe	Appointed 25 March 2010
	K van Staden	Appointed 19 August 2010
	N Zeelie	Appointed 19 August 2010
	R Leegerstee	Appointed 25 March 2010
	P Nana	Appointed 19 August 2010
	Z Stofberg	Resigned 19 August 2010
	M McDonald	Resigned 25 March 2010
	C Beaver	Resigned 20 May 2010
	R Mogototoane	Resigned 25 March 2010
	M Dennet	Resigned 19 August 2010
Auditors	Nolands Inc Chartered Accountants (S.A.) Registered Auditors	
Secretary	P Benbow-Hebbert	

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

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The annual financial statements set out on pages 5 to 10, which have been prepared on the going concern basis, were approved by the executive committee on 19 May 2011 and were signed on its behalf by:



Chairman



Treasurer

Johannesburg

19 May 2011

Report of the Independent Auditors

To the members of The South African Securitisation Forum

We have audited the accompanying annual financial statements of The South African Securitisation Forum, which comprise the statement of financial position as at 28 February 2011, the statement of comprehensive income and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 9.

Responsibility for the financial statements

The executive committee's members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as described in Note 1. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual 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.

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 that 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' 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 accompanying annual financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Supplementary Information

The supplementary information set out on page 10 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.

Nolands

Nolands Inc
Registered auditors
Practice number: 900583e
Per: Craig Stansfield CA (SA), RA

19 May 2011
Cape Town

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Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Cash and cash equivalents	2	409,293	560,094
Total Assets		<u>409,293</u>	<u>560,094</u>
Funds and Liabilities			
Funds			
Accumulated funds	3	178,298	326,699
Liabilities			
Current Liabilities			
Accounts payable		45,002	47,402
Taxation		185,993	185,993
		<u>230,995</u>	<u>233,395</u>
Total Funds and Liabilities		<u>409,293</u>	<u>560,094</u>

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Operating expenses		(174,040)	(166,615)
Operating loss		<u>(174,040)</u>	<u>(166,615)</u>
Investment revenue	4	25,639	33,276
Loss before taxation		<u>(148,401)</u>	<u>(133,339)</u>
Taxation	5	-	-
Loss for the year		<u>(148,401)</u>	<u>(133,339)</u>

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

1.2 Financial instruments

Accounts receivables

Accounts receivable are items that the Forum has issued invoices for, but not received payment for, as at the balance sheet date. They are stated at their estimated realisable value, which means that the amount stated is the figure the Forum realistically expects to receive.

Accounts payable

Accounts payable are items where the goods and services have been received by the Forum, but as at the balance sheet date have not yet been paid. They are stated at the amount of cash required to settle those liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Revenue

Membership fees are recognised on the accrual basis in accordance with the substance of the relevant membership agreements.

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	409,293	560,094
3. Accumulated funds		
Opening balance	326,699	460,038
Loss for the year	(148,401)	(133,339)
Closing balance	178,298	326,699
4. Investment revenue		
Interest received		
Bank	25,639	33,276
5. Taxation		
No provision has been made for 2011 taxation as the Forum had no taxable income at the accounting date. The computed tax loss available for set-off against future taxable income is estimated at R 281,740 (2010: R 133,339).		
The Forum has submitted an application to the Receiver of Revenue requesting that its receipts and accruals be exempt from taxation. As at the reporting date this application has not been approved.		
6. Auditors' remuneration		
Audit fees	15,000	15,000
Underprovision - prior period	2,100	7,955
	17,100	22,955
7. Cash used in operations		
Loss before taxation	(148,401)	(133,339)
Adjustments for:		
Interest received	(25,639)	(33,276)
Changes in working capital:		
Accounts receivables	-	25,739
Accounts payable	(2,400)	37,400
	(176,440)	(103,476)

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Detailed Income Statement

Figures in Rand	Note(s)	2011	2010
Other income			
Interest received	4	25,639	33,276
Operating expenses			
Advertising and promotional costs		2,901	6,705
Auditors' remuneration	6	17,100	22,955
Bank charges		1,209	987
Consulting fees paid		99,800	92,400
Printing and stationery		2,200	1,330
Telephone and fax		3,208	2,322
Travel - local		12,921	8,038
Website running costs		34,701	31,878
		174,040	166,615
Loss before taxation		(148,401)	(133,339)
Taxation	5	-	-
Loss for the year		(148,401)	(133,339)