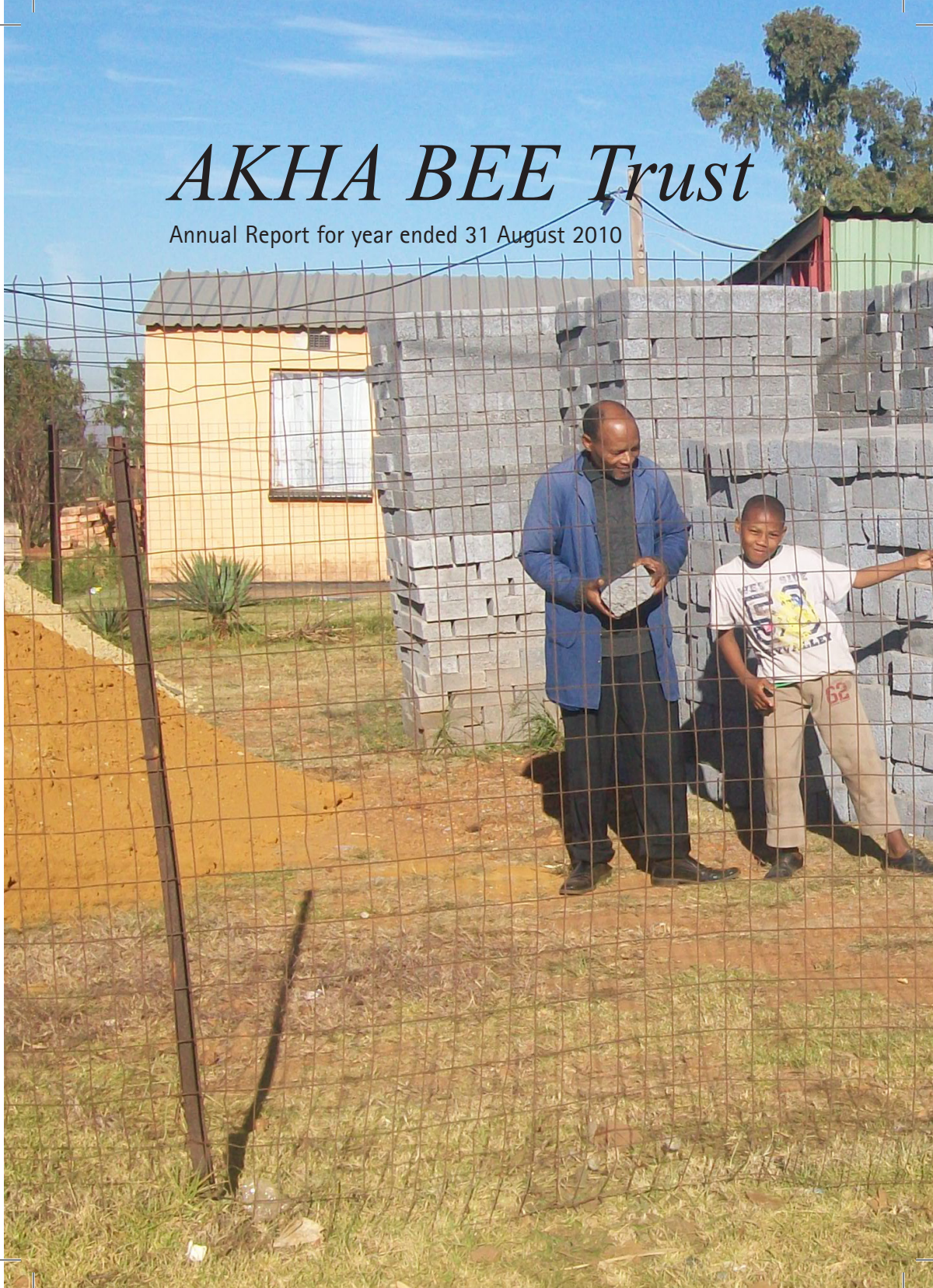


# *AKHA BEE Trust*

Annual Report for year ended 31 August 2010





My name is Milton Ntombela. I have been working at Accenture for the past 15 years as a handyman. I came to Johannesburg in 1973 from my homeland in KwaZulu Natal and lived at a male hostel in Thokoza for many years before moving to Vila Lisa in Boksburg. Vila Lisa is a squatter camp that is about 15 km from Boksburg.

I have lived in Vila Lisa for the past 17 years in a shack. A few years ago the government officially registered our stands but only built us toilets.

Living in a shack has been very tough. It is very cold during winter and in summer there are water leakages during rainy periods throughout the shack. My 10 year old son has never lived in a proper home his entire life.

A few years ago the government started building RDP homes in my area. Each family in my street had a proper home built except me. I have gone to the Municipality office many times to follow up on the status of my home but without any success.

When I received the money from the AKHA Trust last year, I decided to use that money to build my own home. I kept the money in my bank account while processing the floor plans and other paper work. A few months ago I bought some building material and my house is currently above window level.

I have never had any money in my life to build my family a proper home neither to rent a proper home. The money that I received from the AKHA Trust enabled me to build something that I can call home and I am very grateful and proud of that. Thank you AHKA Trust!

# *Chairperson's Report*

*Vusi Nkosi*

The AKHA Black Economic Empowerment Trust ("the Trust") has now been in existence for approximately five years. However, the year 2010 was the most exciting year for us, as the trustees, when we finally got to fulfill our principal mandate, which is to assist in the development, implementation and operation of Black Economic Empowerment in the Republic of South Africa. This we sought to achieve by making cash payments to qualifying beneficiaries of the Trust in order to improve their financial position. Hopefully, the cash payments received have put the beneficiaries concerned in a position to utilize their funds for any one or more of the BEE initiatives that are stipulated in the AKHA Trust Deed, including education, training and development.

However, I think it would be prudent for me to point out that cash payments to qualifying beneficiaries is not the only method or mechanism identified by the trustees to achieve the fulfillment of their mandate. In fact, an extensive amount of time was taken by the trustees discussing the various methods of granting financial and other assistance to qualifying beneficiaries, including the distribution principles to be adopted in granting such assistance. After much deliberation amongst the trustees, it was finally decided that for the purposes of the first distribution, some tangible benefit in the form of cash payments to

qualifying beneficiaries, irrespective of their level of employment with Accenture, would be more appropriate and expedient to enable the trustees to fulfill their mandate.

In the circumstances, it accordingly follows that for future distributions the trustees may decide to fulfill their mandate by applying other distributions principles which may not necessarily involve the payment of cash. Be that as it may, the fact of the matter is that any BEE initiatives or distribution principles adopted by the trustees must be in the best interest of the beneficiaries. As the trustees, it is both our duty and responsibility not to lose sight of that fact. Of course, we also need to be mindful of our obligation to continue servicing the loan advanced by Accenture Global to the Trust until it is fully paid, which may also reduce from time to time the funds available for distribution to the beneficiaries.

Lastly, I wish to conclude this report by thanking everyone who contributed towards making the Trust a success, including but not limited to all the trustees, past and present, Michelle Kegley, for providing logistical support to the trustees, Accenture Global and Accenture South Africa, for their unwavering support and, last but not least, the beneficiaries for their patience.

# Background

Accenture, as a corporate citizen of South Africa, continued to demonstrate its commitment to achieving its ultimate goals of transformation, inclusion and diversity amongst its employees. Part of this was achieved by the establishment of the AKHA BEE Trust in 2005. At that time 30% of Accenture South Africa shares were sold to the Trust and its beneficiaries designated as broad-based groups and the Black Accenture Employees as defined in the DTI B-BBEE Codes of Good Practice. Following its establishment, an independent board of trustees was appointed to oversee the interests of both Accenture and the identified beneficiaries.

## Objectives

*According to the Trust Deed, the purpose and mandated objectives of the Trust may be summarized as follows:*

- Generally – to assist the development, implementation and operation of Black Economic Empowerment (BEE) in the Republic of South Africa, by pursuing BEE initiatives through the provision of financial and other assistance to any one or more Beneficiaries as determined by the Trustees from time to time; and
- In particular, to identify and pursue BEE initiatives, including, to the extent that the Trustees in their discretion may consider appropriate to do so, the following :
  - Provide financial support, professional, technical and other skills and managerial expertise to Beneficiaries;
  - Raise funding from potential funders and/or assist Beneficiaries to raise funding in connection with any of the above objects;
  - Make investments in any manner as the Trustees may from time to time in their discretion determine; and
  - Carry out such other functions or roles as are reasonably consistent with the intents and purposes of the Trust.

## Governance

The Trust is governed by a Board of Trustees established in accordance with the Deed of Trust. The majority of the trustees, in accordance with the Trust Deed, are not directly linked to Accenture. This ensures that the Board of Trustees remains independent of the Accenture Board.

- The Trust's year end is 31 August
- The Trust's auditors are KPMG
- The financial administration of the Trust is provided by Sizwe Ntsaluba vsp
- The trust's bankers are ABSA Bank



From Left to Right: Thina Siwendu, Roze Phillips, Mcane Mthunzi, Mandla Nhlapo, Vusi Nkosi and Safeea Rahiman. Donovan Muller absent.

# Board of Trustees

## *Vusi Nkosi - Chairman*

Vusi is a practising attorney and a partner of Shephstone & Wylie, Attorneys, at the firm's head office in Durban. He is heading the firm's Local Government & Administrative Law Department. His qualifications include B.Proc and LLB, which he obtained from the Universities of Zululand and KwaZulu-Natal (Durban), respectively.

Vusi joined Shephstone & Wylie as a candidate attorney in 1992, and became a partner of the firm in 1998. His area of specialization is Local Government & Administrative Law. Vusi's clients include a wide spectrum of municipalities and government departments in and around the KwaZulu-Natal Province. Vusi is the current Chair of AKHA BEE Trust and has been a Trustee since inception in 2005.

## *Thina Siwendu*

Thina is a practising attorney and a Director of Siwendu & Partners Inc the firm has offices in Durban, a firm she founded in 1996. She heads the firm's Commercial Law and Corporate Governance Department. Her qualifications include B. Soc Sc ( Hons) and LLB, which she obtained from the Universities of Cape Town and KwaZulu-Natal (Durban), respectively. Thina has

worked with various Board of Companies including Transnet Limited, Eskom, Anglo Platinum and has represented a wide spectrum of companies in both public and private sector. She has been a member of various Boards including Grindrod, Grindrod Bank, Airports Company South Africa and Woolworths. Thina has been a trustee of AKHA since 2008.

## *Mandla Nhlapo*

Mandla joined Accenture in 1988 as a junior consultant. He spent most of his working life at Accenture and left the firm in August 2009. During his tenure at Accenture he was an executive in Resource and part of the executive team which managed the Eskom Account; an executive in Products responsible for Transport & Travel services; and a client executive of Transnet. Mandla also played a pivotal role in the transformation of Accenture as the first African Senior Executive; the inaugural Chairperson of the Accenture Board as well as the inaugural Chairperson of the AKHA Trust. Mandla continues to be passionate about economic empowerment and the success of Accenture's transformation journey hence he has agreed to serve as a trustee on the AKHA Trust Board.

# Board of Trustees

## *Mncane Mthunzi*

Mncane is the CEO of the Consumer Goods Council of South Africa since June 2009. He has been the Managing Director of the Black Management Forum (BMF) for a period of three years. Prior to joining the BMF he worked for Microsoft as an Enterprise Strategy Consultant and later in a Sales Executive role. He was also a Senior Manager at Pricewaterhouse Coopers. He started his career at Accenture, where he worked in a number of industries both locally and internationally handling large-scale systems integrations and business solutions for a number of clients. His leadership and stakeholder involvement includes being a trustee at Accenture SA, BUSA Council member, non-executive director of Adcorp and founder and trustee of FTK Trust. Mncane's career span is across a number of industries which includes Transport, Industrial Products, Retail, Telecommunications, Broadcasting, Information Technology and the Government.

## *Safeea Rahman*

Safeea is a Chartered Accountant who qualified in 1996 and completed her traineeship at the accounting firm KMMT. She subsequently took up the position of Financial Manager at Afritel Cellular Systems (Pty) Ltd where she was responsible for implementing a turnaround strategy at this ailing cellular service provider, and which was eventually sold to the Vodacom network in an industry consolidation exercise. She is currently Corporate Services and Audit Partner at the accounting and auditing firm now known as RAIN.

She serves on the Boards and Audit and Risk Committees of Spescom Limited and Medi-Clinic Southern Africa as a Non-Executive Director, and serves on the Audit and Risk Committees of NHBRC and TETA Seta, as well as having various other private business interests.

## *Donovan Muller*

Donovan joined Accenture in 1988 as an entry-level graduate after graduating from UCT with an M.Sc.(Energy Engineering). He is currently a Senior Executive in the Technology Growth Platform, where he is the portfolio lead for Resources. Currently, his focus is on Mining, Utilities and Energy. Prior to this he was the Executive Director responsible for Outsourcing in South Africa. Donovan is passionate about the Accenture transformation journey, and was one of the first group of Black Senior Executives in South Africa in 2000. He serves on a number of boards, trusts and committees, including the Accenture South Africa Management Executive, the Board of Enablis South Africa, the Kolbe House Trust and is on the Advisory Board of the UCT Department of Computer Science

## *Roze Phillips*

Roze is an Accenture senior executive based in the Johannesburg office. She leads the Consumer Goods and Services practice in Sub-Saharan Africa, focusing on East, South and West Africa. Having recently celebrated her tenth anniversary with Accenture, Roze is a champion for transformation strategies that foster empowerment in the workplace and beyond. She serves on the Accenture SA Board of Directors, Accenture Global Diversity Advisory Forum and represents Accenture on the Board of Enablis in East Africa, a non-governmental organization that fosters entrepreneurship among youth. Roze served as chairman of the AKHA Trust in 2008 and has been a Trustee for the past 4 years. Recently Roze has been appointed the SPAI Human Capital lead with her chief responsibility the human capital activity in SPAI, with a special focus on our growing African markets. Roze is a medical doctor with a Masters degree in Business Administration.

# AKHA Trust Long Service Awards



*The AKHA BEE Trust Long Service Award ceremony was held on 29th September 2010 to celebrate an excellent long service contribution to Accenture.*

*Members of the AKHA board of trustees and selected Accenture Senior Executives were there to enjoy the moment with the recipients of the long service awards.*

These lucky staff members were the first to receive their dividend payout letters:-

Full Name	Tenure in Years
Lydia Makubetse	29.72
Ouma Elizabeth Mofokeng	29.48
Denise Juliet Wilson	27.96
Sathiseelan Parasaraman Chetty	27.04
Mantsebeng Tsotetsi	21.23
Zodwa Ncongwane	20.22
Bradley Raatz	19.78
Ken Jacobs	19.68
Vasathaven Govender	16.68
Jordan Mncube	17.58

# *Financial Statements*

## *Annual financial statements*

for the year ended 31 August 2010

<i>Contents</i>	<i>Page</i>
Trustees' responsibility statement	9
Report of independent auditors	10
Trustee report	11
Statement of financial position	12
Statement of comprehensive income	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16 - 23

## *Trustees' responsibility statement*

The trustees are responsible for the preparation and fair presentation of the annual financial statements of the AKHA Black Economic Empowerment Trust, comprising the statement of financial position at 31 August 2010, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with South African Statements of Generally Accepted Accounting Practice.

The trustees' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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.

The trustees' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The trustees have made an assessment of the Trust's ability to continue as a going concern and have no reason to believe the trust will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

### *Approval of the annual financial statements*

The annual financial statements of the AKHA Black Economic Empowerment Trust, as set out on pages 4 to 17, were approved by the Board of Trustees on 10 March 2011.

*Vusi Nkosi - Chairman*

*Thina Siwendu*

*Mandla Nhlapo*

*Mncane Mthunzi*

*Safeea Rahiman*

*Donovan Muller*

*Roze Phillips*

# *Report of the independent auditors*

## **To the Trustees of the AKHA Black Economic Empowerment Trust**

We have audited the annual financial statements of the AKHA Black Economic Empowerment Trust, which comprise the statement of financial position at 31 August 2010, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 10 to 20.

### *Trustees' responsibility for the financial statements*

The Trust's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

### *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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the

risks of material misstatement of the 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 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 management, 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.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the AKHA Black Economic Empowerment Trust at 31 August 2010, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

**KPMG Inc.**



Per Jan Vliegenthart  
Chartered Accountant (SA)  
Registered Auditor  
Director  
10 March 2011



# *Trustees report*

for the year ended 31 August 2010

The trustees' submit their report for the year ended 31 August 2010.

## *Review of activities*

### *Main business and operations*

The trust is engaged in the assistance with development, implementation and operation of Black Economic Empowerment in the Republic of South Africa.

The operating results and state of affairs of the trust are fully set out in the attached financial statements and do not in our opinion require any further comment.

### *Dividend declared*

A dividend amounting to R16 million (2009: Nil) was declared to the beneficiaries of the trust on 31 May 2010.

### *Trustee*

M Nhlapo  
R Phillips  
V Nkosi  
T Siwendu  
DH Muller  
S Rahiman  
M Mthunzi

### *Post balance sheet events*

The trustees have performed a review of events subsequent to year end. The results of this review indicated that no events occurred subsequent to year end that required disclosure in these annual financial statements.

### *Auditors*

KPMG Inc. will continue in office as per approval of the board of trustees.

# Statement of financial position

at 31 August 2010

	Note	2010 R	2009 R
<b>Assets</b>			
Non current assets			
Investments	2	210 000 000	210 000 000
Current assets			
Cash and cash equivalents	3	65 757 827	696 497
Total assets		<u>275 757 827</u>	<u>210 696 497</u>
<b>Equity and liabilities</b>			
Capital and reserves			
Trust capital		10 000	10 000
Accumulated surplus		28 624 952	(91 418 122)
		<u>28 634 952</u>	<u>(91 408 122)</u>
Non current liabilities			
Amounts owing to group companies	5	229 916 008	301 218 023
Current liabilities			
Trade and other payables	4	78 429	67 153
Current tax payable		62 952	38 413
Amounts owing to group companies	5	1 065 486	781 030
Dividend payable		16 000 000	-
Total equity and liabilities		<u>275 757 827</u>	<u>210 696 497</u>

## *Statement of comprehensive income*

for the year ended 31 August 2010

		2010	2009
	Note	R	R
<b>Income</b>			
Dividend income	6	156 219 000	-
Finance income	6	62 327	34 128
		<u>156 281 327</u>	<u>34 128</u>
<b>Expenses</b>			
Finance cost	7	(19 917 002)	(29 789 864)
Sundry expenses	8	(296 712)	(164 592)
Surplus/(deficit) for the year before tax		136 067 613	(29 920 328)
Taxation	10	(24 539)	(13 267)
Surplus/(deficit) for the year after tax		<u>136 043 074</u>	<u>(29 933 595)</u>
Comprehensive income/(loss) for the year		136 043 074	(29 933 595)
Total comprehensive income/(loss) for the year		<u>136 043 074</u>	<u>(29 933 595)</u>

## Statement of changes in equity

for the year ended 31 August 2010

	Note	Trust capital R	Accumulated surplus/(deficit) R	Total R
Balance as at 1 September 2009		-	(61 484 527)	(61 484 527)
Comprehensive loss for the year		-	<u>(29 933 595)</u>	<u>(29 933 595)</u>
<b>Restated balance at 31 August 2009</b>		<b>10 000</b>	<b><u>(91 418 122)</u></b>	<b><u>(91 408 122)</u></b>
Balance at 31 August 2009 as previously stated		78 429	(91 379 709)	(91 379 709)
Correction of capital and reserves	11	10 000	(38 413)	(28 413)
Comprehensive income for the year		-	136 043 074	136 043 074
Dividend declared		-	(16 000 000)	(16 000 000)
<b>Balance at 31 August 2010</b>		<b><u>10 000</u></b>	<b><u>28 624 952</u></b>	<b><u>28 634 952</u></b>

## *Statement of cash flows*

for the year ended 31 August 2010

		2010	2009
	Note	R	R
<b>Cash utilised by operations</b>	9	<b>(285 436)</b>	(105 135)
Finance income		62 327	34 128
Finance cost		(19 917 002)	(29 789 864)
Dividend income		156 219 000	-
Net cash inflow from operating activities		136 078 889	(29 860 871)
 <b>Cash flows from investing activities</b>			
(Decrease)/increase in amounts owing to group companies		(71 017 559)	29 894 040
<b>Net cash outflow from investing activities</b>		<b>(71 017 559)</b>	29 894 040
 Net increase in cash and cash equivalents		<b>65 061 330</b>	33 169
Cash and cash equivalents at the beginning of the year		696 497	663 328
<b>Cash and cash equivalents at the end of the year</b>		<b>65 757 827</b>	696 497

# Notes to the financial statements

for the year ended 31 August 2010

## 1. Accounting Policies

### 1.1 Reporting entity

AKHA Black Economic Empowerment Trust is a trust domiciled in the Republic of South Africa. The address of the trust's registered office is Building 19, Harrowdene Office Park, Kelvin Drive, Woodmead, 2054.

The trust is engaged in the assistance with development, implementation and operation of Black Economic Empowerment (BEE) in the Republic of South Africa.

### 1.2 Basis of preparation

#### Statement of compliance

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

#### IAS 1 (AC 101) Presentation of Financial Statements Revised

During the current year, the trust adopted IAS 1 (AC101) Presentation of Financial Statements – Revised.

The revisions resulted in several changes, including terminology changes. As such, the balance sheet will now be referred to as the statement of financial position, the income statement as the statement of comprehensive income and the cash flow statement as the statement of cash flows. In accordance with the revisions, all non owner changes in equity are now presented in a single statement of comprehensive income.

The revisions also introduced the concept of other comprehensive income and require disclosure to

be made of all reclassification adjustments and all taxation implications of each component of other comprehensive income. This information has been disclosed in the notes to the annual financial statements.

In addition, a statement of financial position and related notes has been presented for the earliest comparative period. This is in accordance with the requirements of the revised Standard to present such a statement of financial position whenever there is a retrospective restatement to the annual financial statements.

The Standard did not provide for any transitional provisions for the stated revisions. The change has been applied retrospectively.

#### Basis of measurement

The financial statements have been prepared on the historical cost basis except for derivative financial instruments that are measured at fair value.

The methods used to measure fair values are discussed further in note 1.3 (h).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Functional and presentation currency

These financial statements are presented in South African Rands, which is the trust's functional currency.

#### Use of estimates and judgements

The preparation of financial statements in conformity with South African Statements of Generally Accepted Accounting Practice requires management to make judgements, estimates and assumptions that affect the application of

# Notes to the financial statements (continued)

for the year ended 31 August 2010

accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## 1.3 Significant accounting policies

### Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to South African Rands at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

### Financial instruments

#### Non derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for

instruments not at fair value through profit or loss, any directly attributable transaction costs.

A financial instrument is recognised if the trust becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the trust's contractual rights to the cash flows from the financial assets expire. Financial liabilities are derecognised if the trust's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition non-derivative financial instruments are measured as described below:

#### (i) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses. Trade receivables do not carry interest and are stated at their amortised cost, less impairment losses. Impairment of trade receivables is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of sale. Significant financial difficulties of the debtor, or delinquency in payments are considered indicators that the trade receivable is impaired.

#### (ii) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the trust's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### (iii) Borrowings and loans

All loans and borrowings are initially recognised

## *Notes to the financial statements (continued)*

for the year ended 31 August 2010

at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

### (iv) Trade and other payables

Trade and other payables are classified as financial liabilities originated by the enterprise. These short term amounts are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

## **Impairment**

### (i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

### (ii) Non-financial assets

The carrying amounts of the trust's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **Provisions**

A provision is recognised if, as a result of a past event, the trust has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money

## *Notes to the financial statements (continued)*

for the year ended 31 August 2010

and the risks specific to the liability.

### **Finance income and finance cost**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

Dividends are recognised when the right to receive payment is established.

### **Related parties**

A party is related to the trust if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the trust;
- The party is a member of key management personnel of the entity or its parent;
- The party is a close family member of the family or individual referred to the above.

Key management personnel are those persons having the necessary authority and responsibility with planning.

Close family member of the family of an individual includes:

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependents of the individual or the individual's domestic partner.

### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events

not wholly within the control of the trust, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **Determination of fair values**

A number of the trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **Trade and other receivables/payables**

The fair value of trade and other receivables/payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

# Notes to the financial statements (continued)

for the year ended 31 August 2010

	2010 R	2009 R
<b>2. Investments</b>		
Accenture (South Africa) (Proprietary) Limited	<u>210 000 000</u>	<u>210 000 000</u>
The investments represents a 30% shareholding in the equity of Accenture (South Africa) (Proprietary) Limited and consists of 2 250 000 ordinary shares held at cost. The investment has been ceded as security to Accenture International S.a.r.l.		
<b>3. Cash and cash equivalents</b>		
Current account	<u>65 757 827</u>	<u>696 497</u>
<b>4. Trade and other payables</b>		
Sundry creditors	<u>78 429</u>	<u>67 153</u>
<b>5. Amounts owing to group companies</b>		
Loan account: Accenture International S.a.r.l	<u>229 916 008</u>	<u>301 218 023</u>
The interest rate applied is the South Africa Johannesburg Interbank Agreed Rate 1 Month (BB ticker: JIBA1M) obtained from Bloomberg. The loan has no fixed repayment terms.		
Loan account: Accenture (South Africa) (Proprietary) Limited	<u>1 065 486</u>	<u>781 030</u>
The loan bears no interest and has no fixed terms of repayment.		
<b>6. Investment revenue</b>		
Interest received on the current account	62 327	34 128
Dividend income	<u>156 219 000</u>	<u>-</u>
Total	<u>156 281 327</u>	<u>34 128</u>
<b>7. Finance cost</b>		
Interest accrued on loan accounts	<u>19 917 002</u>	<u>29 789 864</u>

## *Notes to the financial statements (continued)*

for the year ended 31 August 2010

	2010	2009
	R	R
<i>8. Sundry expenses</i>		
Accounting fees	52 296	29 344
Advertising and promotion	-	390
Audit fees	18 240	18 363
Bank charges	980	961
Legal fees	24 817	33 909
Trustee fees	163 404	81 624
Secretarial fees	25 394	-
Travel	11 581	-
	<hr/> 296 712	<hr/> 164 591

## *9. Cash utilised by operations*

Net surplus/(deficit) for the year	136 067 613	(29 920 328)
Adjusted:		
Finance income	(62 327)	(34 129)
Finance cost	19 917 002	29 789 864
Dividend income	(156 219 000)	-
Operating deficit before working capital changes	(296 712)	(164 593)
Increase in trade and other payables	11 276	59 458
	<hr/> (285 436)	<hr/> (105 135)

### **9.1. Taxation paid**

Opening balance	38 413	25 146
Current tax charge	24 539	13 267
Closing balance	<hr/> (62 952)	<hr/> (38 413)
<b>Taxation paid</b>	-	-

## Notes to the financial statements (continued)

for the year ended 31 August 2010

	2010	2009
	R	R
<b>10. Taxation</b>		
Opening balance	38 413	25 146
Current tax charge	24 539	13 267
Closing balance	(62 952)	(38 413)
<b>Taxation paid</b>	-	-
Current tax charge	24 539	13 267
<b>Reconciliation of the tax expense</b>		
Accounting surplus/(deficit) before tax	136 067 613	(29 920 327)
Tax at 40%	54 427 045	(11 968 131)
Adjusted for permanent differences:		
Local dividend income	(62 487 600)	-
Non deductible expenses	8 085 094	11 981 398
	24 539	13 267

## 11. Prior period errors

### 11.1 Trust capital

In the prior financial years, since the founding of the trust, the trust did not recognise the trust capital amounting to R10 000 as per the trust deed. The amount receivable was offset against the loan account with Accenture (South Africa) (Pty) Ltd. The adjustment was made retrospectively.

**The correction of the error results in an adjustment as follows:**

#### Statement of financial position

Trust Capital	-	(10 000)
Loan account – Accenture (South Africa) (Pty) Ltd	-	10 000

## Notes to the financial statements (continued)

for the year ended 31 August 2010

2010	2009
R	R

### 11. Prior period errors (continued)

#### 11.2 Taxation

In the prior financial years, since the founding of the trust, the trust did not recognise taxation as required by the Income Tax Act No. 58 of 1962. The error was corrected retrospectively.

The correction of error resulted in an adjustment as follows:

#### Statement of financial position

Opening accumulated deficit	-	25 146
Current tax payable	-	(38 413)

#### Statement of comprehensive income

Taxation	-	13 267
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### 12. Related parties

#### 12.1 Identity of related parties and transactions

The following are related parties to AKHA Black Economic Empowerment Trust:

- Accenture (South Africa) (Proprietary) Limited
- Accenture International S.a.r.l
- Trustees of the trust
- Accenture Finance Limited (Gilbraltar).

A list of the trustees of the Trust has been provided separately under in trustee report on page 4.

Intercompany balances have been disclosed under note 5.

The trustees' remuneration has been disclosed under note 8.

# *AKHA Trust Success Stories*

First of all I want to thank you for your Share dividend. First of all I fix things which were broken in my house , build in kitchen cupboards and on that very week my geyser burst up and I have to buy the new one and hire the good plumber to fix it. In my church we were doing a farewell for Our Pastor so I contributed a good present. Lastly my organisation in our church did donation in one of the disabled school in Soweto school of Cheshire next to Othandweni and unfortunately I never took photo's for what I have done but I will organise  
Thank AKHA Trust you saved our lives

Just want to say a big THANK YOU so much for the effort and time put into making this possible for all of us! I am overwhelmed and so grateful.

I haven't decided what to do with the money yet but I can assure you that it is going to be well spent.



Just wanted to drop you a note to say thank you for educating me on the AKHA Trust and to say how proud I am to be working for an organization that supports this type of empowerment.

I am very grateful for the dividends received and cannot put into words how much of an impact this will have on the initiatives I support. My partner and I make an effort to support a day care facility in Alexandra township and have done some work in rebuilding the facility and providing much needed supplies over the last 3 years. Any additional funds that we can raise this year are going to ensure that the kids there have a fabulous Christmas holiday! I am also supporting a Cuppa for CANSA tea party to raise funds during the month of October so some of the funds are definitely going to be going in that direction as well.

Thank you again to the Trust for all the effort.

The funds which I received was used to assist my mum in completing the building of her house. Her new home is an area that has not yet been developed so the closest house to her is about 6 streets away. Over the years we have saved towards having enough to be able to build but after all the necessities you don't have much over for a electric fencing and extra security, so this money was used for these added extras so that I know she is all safe and sound:)

*The funds which I received was used to assist my mum in completing the building of her house*



*The kids at Kids Haven were overwhelmed at this gesture and really appreciated us on the day*

Based on receiving this benefit my family and I with a close friend and his family decided to feed and give some toys to 150 homeless kids in a Kids Haven at Cranbourne Avenue, Benoni on 05 December 2010.

On the menu: Russians and chips, Cheese burgers, Juice, Simba Chips, Sweets and Ice Cream.

This was an amazing experience for my family as my own 2 kids seen the value of money and how not to waste food, instead to give to the needy. The kids there were overwhelmed at this gesture and really appreciated us on the day. It is however sad to see what is happening in SA today but the little that we gave was also because of the benefit of the AKHA Trust.

I honestly can't say anymore, being at the Haven will make anyone shed a tear but just doing a little made them smile.

I used to take up to 8 taxis every day, firstly I had to drop off my son at crèche come to work and pick him up in the afternoons and go home

With the money I was able to put down a deposit on a brand new car (Polo Vivo) which I never thought in my life I would own a new car.

My son and I are very happy that we do not have to use taxis any more and its all thanks to the AKHA Bee trust

Thanks you so much.

Halala! Akha Bee trust Halala!

Thank you very much for empowerment of and not for the enrichment of wealth. I hope that I will "Remember that ownership comes with responsibility" and spend the money wisely and on the right people that matter and make some kind of difference.

Thanks again, it is greatly appreciated.

*Halala!*  
*Akha Bee Trust!*  
*Halala!*

Photos courtesy of:  
Chris Kirchhoff,  
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