

**THEMBALITSHA FOUNDATION NPC**

**Non Profit Company**

**Registration Number: 1997/003064/08**

**ANNUAL FINANCIAL STATEMENTS**

**31 December 2013**

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**THEMBALITSHA FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS  
31 December 2013**

**GENERAL INFORMATION**

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Charity Organisation Non-profit company (NPC)
<b>Directors</b>	J F G Miller D G Abernethy K Christie F R Christie A C Geard J A Scholtz (Chairman) J Truter T Walker
<b>Business and registered address</b>	Unit A, Smart Centre 4 Lourensford Road Somerset West 7130
<b>Postal address</b>	P O Box 1795 Somerset West 7129
<b>Bankers</b>	Nedbank Limited Cape Town
<b>Auditors</b>	Deloitte & Touche
<b>Company registration number</b>	1997/003064/08
<b>Income tax reference number</b>	9297/014/03/8
<b>Value added tax reference number</b>	4530240862

## THEMBALITSHA FOUNDATION NPC

### DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa 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 foundation as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The financial statements were prepared under the supervision of AC Geard CA (SA).

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

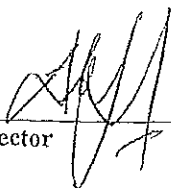
The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the foundation's cash flow forecast for the year to 31 December 2013 and, in the light of this review and the current financial position, they are satisfied that the foundation has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the executive directors are primarily responsible for the financial affairs of the foundation, they are supported by the foundation's independent non-executive directors.

The external auditors are responsible for independently reviewing and reporting on the foundation's annual financial statements. The annual financial statements have been examined by the foundation's external auditors and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 5 to 17 and the statement of detailed comprehensive income set out on pages 18 and 19, were approved by the board on 14 August 2014 and were signed on its behalf by:

  
\_\_\_\_\_  
Director

## INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL EXECUTIVE COMMITTEE OF THEMBALITSHA FOUNDATION (NON PROFIT COMPANY)

We have audited the annual financial statements of Thembalitsha Foundation, set out on pages 6 to 17 which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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

The foundation's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, 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.

### *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 about 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 judgment, 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 Thembalitsha Foundation (NPC) as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

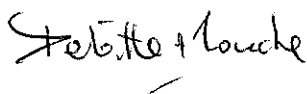
**INDEPENDENT AUDITOR'S REPORT TO THE NATIONAL EXECUTIVE COMMITTEE  
OF THEMBALITSHA FOUNDATION NPC (continued)**

*Other matter*

Without qualifying our opinion, we draw attention to the fact that the detailed statement of comprehensive income set out on pages 18 and 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly we do not express an opinion thereon.

*Other reports required by the Companies Act*

As part of our audit of the financial statements for the year ended 31 December 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.



**Deloitte & Touche**  
**Registered Auditors**

Per JAR Welch  
Partner  
14 August 2014

**THEMBALITSHA FOUNDATION NPC  
DIRECTOR'S REPORT  
31 December 2013**

The directors submit their report for the year ended 31 December 2013.

**Incorporation**

The foundation was incorporated on 3 March 1997 and obtained its certificate to commence business on the same day.

**Review of activities**

The foundation is engaged in charity organisation and operates principally in South Africa. The operating results and state of affairs of the foundation are fully set out in the attached financial statements and do not in our opinion require any further comment. Net profit of the foundation was R3 029 300 (2012: (R19 126), after taxation of Rnil (2012: Rnil).

**Going concern**

The 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.

**Events subsequent to year end**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

**Non-current assets**

There has been no change in the policy relating to the use of non-current assets and additions to the value of R5 358 856 (2013: R716 006) were made during the accounting period under review.

**Directors**

The directors of the foundation at the date of this report are as follows:

J Miller	K Christie
D Abernethy	A Geard
F R Christie	J Scholtz (Chairman)
J Truter	T Walker

**Secretary and audit committee**

The foundation is exempt in terms of the Companies Act and Memorandum of Incorporation from appointing a company secretary and audit committee.

**Auditors**

Deloitte & Touche

**THEMBALITSHA FOUNDATION NPC  
STATEMENT OF FINANCIAL POSITION  
31 December 2013**

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	9 231 591	4 335 843
<b>Current assets</b>			
Trade and other receivables		273 881	146 427
Cash and cash equivalents	3	3 431 810	1 225 712
<b>Total assets</b>		<u>12 937 282</u>	<u>5 707 982</u>
<b>EQUITY AND LIABILITIES</b>			
Retained income		7 634 160	4 604 860
Capital Fund		4 200 000	-
<b>Current liabilities</b>			
Trade and other payables	5	1 103 122	1 103 122
<b>Total equity and liabilities</b>		<u>12 937 282</u>	<u>5 707 982</u>

**THEMBALITSHA FOUNDATION NPC  
STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2013**

	<u>2013</u> R	<u>2012</u> R
Donations and grants	20 277 685	11 999 419
Operating expenses	(13 081 522)	(12 012 436)
	<hr/>	<hr/>
<b>Operating profit/(loss)</b>	7 196 163	(13 017)
Investment revenue	33 137	32 143
Property donation reserve transfer	(4 200 000)	-
	<hr/>	<hr/>
<b>Profit for the year</b>	<u>3 029 300</u>	<u>19 126</u>

**THEMBALITSHA FOUNDATION NPC  
STATEMENT OF CHANGES IN RESERVES  
for the year ended 31 December 2013**

	<u>Share capital</u> R	<u>Capital fund</u> R	<u>Retained income</u> R	<u>Total equity</u> R
<b>Balance at 31 December 2011</b>	-	-	4 585 734	4 585 734
Profit for the year	-	-	19 126	19 126
	-----	-----	-----	-----
<b>Balance at 31 December 2012</b>	-	-	4 604 860	4 604 860
Profit for the year	-	-	3 029 300	3 029 300
Property donation transfer	-	4 200 000	-	4 200 000
	-----	-----	-----	-----
<b>Balance at 31 December 2013</b>	-	4 200 000	7 634 160	11 834 160
	=====	=====	=====	=====

**THEMBALITSHA FOUNDATION NPC  
STATEMENT OF CASH FLOWS  
for the year ended 31 December 2013**

	<u>Notes</u>	<u>2013</u> R	<u>2012</u> R
<b>Cash flows from operating activities</b>			
Cash generated from/(utilised) operations	7	7 531 817	(188 501)
Interest income		33 137	32 143
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>7 564 954</b>	<b>(156 358)</b>
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(5 358 856)	(716 006)
Proceeds on disposal		-	22 000
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		<b>(5 358 856)</b>	<b>(694 006)</b>
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2 206 098</b>	<b>(850 364)</b>
Cash and cash equivalents at beginning of the year		1 225 712	2 076 076
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	3	<b>3 431 810</b>	<b>1 225 712</b>
		<hr/> <hr/>	<hr/> <hr/>

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**31 December 2013**

**1. ACCOUNTING POLICIES**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. 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 year.

**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 to the foundation; and the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

<b>Item:</b>	<b>Average useful life:</b>
Buildings	25 years
Computer equipment	5 years
Furniture and fittings	6 years
Motor vehicles	5 years
Office equipment	5 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. Items purchased with a cost of less than R7 000 are immediately expensed in the year in which acquired.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The surplus or deficit arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The surplus or deficit arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**31 December 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.2 Financial instruments**

**Initial recognition**

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

Financial assets and financial liabilities are recognised on the foundation's statement of financial position when the foundation becomes party to the contractual provisions of the instrument.

**Accounts receivable**

Accounts receivable are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit 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 discounted at the effective interest rate computed at initial recognition.

**Accounts payable**

Accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**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.

**Bank overdraft and borrowings**

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the foundation's accounting policy for borrowing costs.

**1.3 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**1. ACCOUNTING POLICIES (continued)**

**1.3 Leases (continued)**

**Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of amortisation on the remaining balance of the liability.

**Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This asset or liability is not discounted.

**1.4 Impairment of assets**

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**1. ACCOUNTING POLICIES (continued)**

**1.5 Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**1.6 Provisions and contingencies**

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation and is recognised when:

- the foundation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

**1.7 Government and other grants**

Government and other grants are recognised when there is reasonable assurance that:

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

Government and other grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate for, on a systematic basis.

**1.8 Accounting estimates and judgement**

In determining the financial results, the directors have applied their judgement in assessing the useful lives and residual values of property, plant and equipment.

**1.9 New and revised accounting standards**

There are no new or revised accounting standards or interpretations which are likely to have a material effect on the foundation's financial results or statements.

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**31 December 2013**

**1. ACCOUNTING POLICIES (continued)**

**1.9 Revenue**

Designated funds are recognised as income on receipt, or where reliably measurable, when receivable. Designated funds received in excess of expenditure as required by the governing agreements is deferred and matched with expenses in the period in which they occur.

Training income is recognised over the period that training is provided with reference to the stage of completion of the service. Other income is recognised at fair value when it is received or becomes receivable.

Interest is recognised using the effective interest rate method.

**1.10 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**2. PROPERTY, PLANT AND EQUIPMENT**

<b>2013</b>	<b><u>Opening balance</u></b> R	<b><u>Additions</u></b> R	<b><u>Disposals</u></b> R	<b><u>Closing balance</u></b> R
<b><u>Cost</u></b>				
Land	3 752 184	4 632 327	-	8 384 511
Furniture and fittings	431 099	101 181	-	532 280
Motor vehicles	1 137 559	527 251	-	1 664 810
Office equipment	226 991	19 091	-	246 082
Computer software	263 259	79 006	-	342 265
	<hr/>	<hr/>	<hr/>	<hr/>
	5 811 092	5 358 856	-	11 169 948
	<hr/>	<hr/>	<hr/>	<hr/>
	<b><u>Opening balance</u></b> R	<b><u>Depreciation</u></b> R	<b><u>Disposals</u></b> R	<b><u>Closing balance</u></b> R
<b><u>Accumulated depreciation</u></b>				
Land	-	-	-	-
Furniture and fittings	320 437	99 700	-	420 137
Motor vehicles	857 309	280 237	-	1 137 546
Office equipment	123 613	22 617	-	146 230
Computer software	173 890	60 554	-	234 444
	<hr/>	<hr/>	<hr/>	<hr/>
	1 475 249	463 108	-	1 938 357
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>	<hr/> <b>4 335 843</b> <hr/>			<hr/> <b>9 231 591</b> <hr/>

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**31 December 2013**

**2. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>2012</b>	<b><u>Opening balance</u></b> R	<b><u>Additions</u></b> R	<b><u>Disposals</u></b> R	<b><u>Closing balance</u></b> R
<b><u>Cost</u></b>				
Land	3 414 478	337 706	-	3 752 184
Furniture and fittings	405 096	26 003	-	431 099
Motor vehicles	882 934	288 175	(33 550)	1 137 559
Office equipment	225 953	1 038	-	226 991
Computer software	200 175	63 084	-	263 259
	<u>5 128 636</u>	<u>716 006</u>	<u>(33 550)</u>	<u>5 811 092</u>
<b><u>Accumulated depreciation</u></b>				
Land	-	-	-	-
Furniture and fittings	236 817	83 620	-	320 437
Motor vehicles	666 443	205 404	(14 538)	857 309
Office equipment	100 965	22 648	-	123 613
Computer software	126 747	47 143	-	173 890
	<u>1 130 972</u>	<u>358 815</u>	<u>(14 538)</u>	<u>1 475 249</u>
<b>Net book value</b>	<u>3 997 664</u>			<u>4 335 843</u>
			<b><u>2013</u></b> R	<b><u>2012</u></b> R

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Petty cash	92 790	60 069
Bank balances	3 339 020	1 165 642
	<u>3 431 810</u>	<u>1 225 711</u>

**4. SHARE CAPITAL**

The foundation has no share capital as it is a non-profit company in terms of Schedule 1 of the Companies Act 71 of 2008.

**5. TRADE AND OTHER PAYABLES**

Other payable	833 336	833 336
South African Revenue Services	269 786	269 786
	<u>1 103 122</u>	<u>1 103 122</u>

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**31 December 2013**

	<u>2013</u> R	<u>2012</u> R
<b>6. TAXATION</b>		
No provision has been made for 2013 normal tax as the foundation is not liable for taxation in terms of Section 10(1)(cN) of the South African Income Tax Act.		
<b>7. CASH (UTILISED)/GENERATED FROM OPERATIONS</b>		
Profit before interest	7 196 163	(13 016)
Adjustments for:		
Depreciation	463 108	358 815
Changes in working capital:		
Trade and other receivables	(127 454)	(27 038)
Trade and other payables	-	(507 262)
	<hr/>	<hr/>
	7 531 817	(188 501)
	<hr/> <hr/>	<hr/> <hr/>

**8. DIRECTORS' EMOLUMENTS**

Executive For services as directors	1 017 528	812 700
	<hr/> <hr/>	<hr/> <hr/>

**9. FINANCIAL RISK MANAGEMENT**

**Financial instruments**

The entities financial instruments consist mainly of cash deposits, trade and other receivables and payables.

Financial instruments by category:

The carrying value of the entities financial instruments by category is as follows:

	<u>2013</u> R	<u>2012</u> R
Trade and sundry receivables	234 842	146 427
Bank and cash balances	3 431 810	1 225 712
	<hr/>	<hr/>
Total financial assets	3 666 652	1 372 139
	<hr/> <hr/>	<hr/> <hr/>
Trade and other payables	1 103 122	1 103 122
	<hr/> <hr/>	<hr/> <hr/>
Total financial liabilities	1 103 122	1 103 122
	<hr/> <hr/>	<hr/> <hr/>

The carrying value of the group financial instruments approximate fair value.

**9. FINANCIAL RISK MANAGEMENT (continued)**

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity in the current year does not have any significant credit risk relating to any single counterparty or trade debtor accounts. The credit risk on liquid funds is limited as the counterparties are banks with credit ratings assigned by international credit rating agencies.

**Treasury risk management**

Management of the liquidity structure of the foundation's assets, liabilities and commitments is dependent on the ongoing support of donors and the receipt of grants.

The foundation only deposits cash surpluses with major banks of high credit standing.

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors. It is however noted that given the nature of the foundation, the liquidity of the organisation is dependent on the ongoing support of donors and the receipt of grants.

**Fair values**

The carrying amounts of the following financial instruments approximate their fair value: cash, investments, trade receivables and payables, other receivables and payables.

**10. RELATED PARTY TRANSACTIONS**

Details of directors' emoluments have been disclosed in note 8.

There are no other significant related party transactions.

**THEMBALITSHA FOUNDATION NPC**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2013**

	<u>2013</u>	<u>2012</u>
	<b>R</b>	<b>R</b>
<b>Income</b>	20 310 822	12 031 562
Donations and grants	20 277 685	11 999 419
Interest received	33 137	32 143
<b>Operating expenses</b>	13 081 522	12 012 436
Advertising	122 245	32 741
Bank charges	49 458	36 457
Catering and groceries	905 757	923 077
Computer expenses	40 943	39 800
Consulting and professional fees	320 120	101 308
Depreciation	464 196	358 815
Employee costs	9 201 639	8 348 227
Fundraising expenses	36 179	833 754
Insurance	131 275	110 701
Lease rentals on operating lease	217 324	93 582
Medical expenses	9 459	11 331
Printing and stationery	213 272	155 005
Repairs and maintenance	375 365	171 003
Security	130 996	43 489
Telephone and fax	266 635	265 047
Training	84 635	40 422
Travel – local	296 054	233 196
Utilities	215 970	227 002
Other	-	(12 521)
<b>Operating profit</b>	7 229 300	19 126
Property donation reserve transfer	(4 200 000)	-
<b>Profit for the year</b>	3 029 300	19 126

**THEMBALITSHA FOUNDATION NPC  
DETAILED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2013**

	Total	Head Office	School of Hope	Themba Training	Graceland Pre-School	Themba Bosom Buddies	Themba Care Athlone	Themba Care Grabouw	Hope @ Paul Cluver	Village of Hope	Global Fund	NACOSA
	R	R	R	R	R	R	R	R	R	R	R	R
<b>Income</b>												
Donations/grants	20 277 685	7 709 367	2 776 951	625 382	434 520	242 992	1 348 091	2 145 004	332 072	2 243 647	2 141 823	277 836
Interest received	33 137	11 748	6 096	-	-	-	2 919	-	-	-	12 374	-
	<u>20 310 822</u>	<u>7 721 115</u>	<u>2 783 047</u>	<u>623 382</u>	<u>434 520</u>	<u>242 992</u>	<u>1 351 010</u>	<u>2 145 004</u>	<u>332 072</u>	<u>2 243 647</u>	<u>2 154 197</u>	<u>277 836</u>
<b>Operating expenses</b>												
Advertising	122 245	57 762	615	965	2 638	240	788	4 865	52 091	2 281	-	-
Bank charges	49 458	16 041	6 849	3 161	3 897	1 062	1 492	5 859	240	10 759	-	98
Catering and groceries	905 757	37 129	127 327	16 765	20 559	125 481	112 249	81 708	6 687	152 810	222 197	2 845
Computer expenses	40 943	10 861	16 922	750	-	-	1 132	650	-	10 628	-	-
Consulting fees	320 120	117 524	3 419	-	849	-	15 250	6 199	172 509	4 370	-	-
Depreciation	464 196	34 399	79 977	3 400	7 992	2 475	59 871	106 695	-	168 475	912	-
Employee costs	9 201 639	1 768 816	1 579 204	414 482	235 577	160 695	945 044	1 283 610	-	738 405	1 847 206	228 600
Fundraising expenses	36 179	18 976	108	14 800	1 295	-	-	1 000	-	-	-	-
Insurance	131 275	6 828	35 615	-	675	-	15 702	28 483	-	43 972	-	-
Lease rentals	217 324	42 228	12 810	101 562	-	21 000	39 724	-	-	-	-	-
Medical expenses	9 459	-	200	-	217	-	5 638	1 381	-	2 023	-	-
Print and stationery	213 272	25 619	115 904	117	15 115	2 050	35 014	9 992	204	9 257	-	-
Repairs and maintenance	375 365	4 329	40 668	235	1 823	1 451	7 510	113 477	-	191 180	14 692	-
Security	130 996	5 932	6 175	-	6 075	-	12 263	840	-	99 711	-	-
Telephone and fax	266 635	96 709	27 108	6 257	9 729	-	69 453	12 941	-	30 667	-	13 771
Training	84 635	13 094	51 455	-	-	1 650	1 706	10 169	-	6 561	-	-
Travel	296 054	35 270	52 807	1 000	3 823	3 850	18 889	63 964	-	95 409	21 042	-
Utilities	215 970	10 000	31 519	-	6 849	-	10 069	67 997	-	89 536	-	-
	<u>13 081 522</u>	<u>2 301 517</u>	<u>2 188 682</u>	<u>563 494</u>	<u>317 113</u>	<u>319 954</u>	<u>1 351 794</u>	<u>1 799 830</u>	<u>231 731</u>	<u>1 656 044</u>	<u>2 106 049</u>	<u>245 314</u>
<b>Operating profit/(loss)</b>	<b>7 229 300</b>	<b>5 419 598</b>	<b>594 365</b>	<b>61 888</b>	<b>117 407</b>	<b>(76 962)</b>	<b>(784)</b>	<b>345 174</b>	<b>100 341</b>	<b>587 603</b>	<b>48 148</b>	<b>32 522</b>
Property donation												
reserve transfer	(4 200 000)	(4 200 000)	-	-	-	-	-	-	-	-	-	-
	<u>3 029 300</u>	<u>1 219 598</u>	<u>594 365</u>	<u>61 888</u>	<u>117 407</u>	<u>(76 962)</u>	<u>(784)</u>	<u>345 174</u>	<u>100 341</u>	<u>587 603</u>	<u>48 148</u>	<u>32 522</u>