THEMBALITSHA FOUNDATION

Non-Profit Company

Registration Number: 1997/003064/08

ANNUAL FINANCIAL STATEMENTS

31 December 2021

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GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Charity Organisation Non-profit company (NPC)
Directors	J F G Miller F R Christie A C Geard (Chairman) A M Carvalheiro L L Ndlela G V Maswime M Fölscher
Business and registered address	Unit M, Smart Centre 4 Lourensford Road Somerset West 7130
Postal address	P O Box 1795 Somerset West 7129
Bankers	Nedbank Limited Cape Town
Auditors	Deloitte & Touche
Company registration number	1997/003064/08
Income tax reference number	9297/014/03/8
Value added tax reference number	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 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 2021 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 auditing 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 18 and the statement of detailed comprehensive income set out on pages 19 and 20, were approved by the board on 29 June 2022 and were signed on its behalf by:

Director

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

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INDEPENDENT AUDITOR'S REPORT
The National Executive Committee of Thembalitsha Foundation
(Non-Profit Company)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Thembalitsha Foundation set out on pages 6 to 18, which comprise the statement of financial position as at 31 December 2021 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, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Thembalitsha Foundation as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

Donations are a significant source of fundraising revenue for Thembalitsha Foundation. The directors have determined that it is impracticable to establish internal controls over the collection of cash or other donations prior to the initial entry into its financial records. We were therefore unable to confirm whether all donations were recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises Statement of Directors' Responsibility and Approval and Directors' Report as required by the Companies Act of South Africa and a detailed Statements of Comprehensive Income. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, the directors are responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditors

Per JAR Welch
Partner
29 June 2022

THEMBALITSHA FOUNDATION NPC
DIRECTOR'S REPORT
31 December 2021

The directors submit their report for the year ended 31 December 2021.

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 loss for the foundation was R2 064 916 (2020: loss R769 950), after taxation of Rnil (2020: 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.

Despite the negative impact of the continuing COVID19 pandemic on our daily operating activities and the receipt of donation and other income, the directors have taken appropriate steps to address this situation and to best manage the affairs of the foundation to ensure that it remains financially sound for the long term sustainability of the organisation and the stakeholders that it seeks to serve.

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 R 49 4573 (2020: R185 852) were made during the accounting period under review.

Directors

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

J F G Miller	M Fölscher
A M Carvalheiro	A C Geard (Chairman)
F R Christie	G V Maswime
L L Ndlela	

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.

Preparation of the annual financial statements

The annual financial statements were prepared by Anna-Mari Dickason (CA.SA).

Auditors

Deloitte & Touche, Registered Auditors.

THEMBALITSHA FOUNDATION NPC
STATEMENT OF FINANCIAL POSITION
31 December 2021

	Notes	2021	2020
		R	R
ASSETS			
Non-current assets		10 709 627	15 097 249
Property, plant and equipment	2	10 620 647	15 097 249
Right use of assets	10	88 980	-
Current assets		5 050 956	2 463 174
Trade and other receivables		64 674	821 153
Cash and cash equivalents	3	4 848 093	1 642 021
Current portion of right of use assets	10	138 189	-
Total assets		15 760 583	17 560 423
EQUITY AND LIABILITIES			
Retained income		9 963 027	12 027 944
Capital Fund		4 200 000	4 200 000
Non-Current Liabilities			
Non-current portion of lease liability	10	80 366	-
Current liabilities			
Trade and other payables	5	1 383 699	1 332 479
Current portion of lease liabilities	10	133 492	-
Total equity and liabilities		15 760 583	17 560 423

THEMBALITSHA FOUNDATION NPC
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	2021	2020
	R	R
Donations and grants	10 417 014	10 545 227
Other income	1 251 793	379 006
Operating expenses	(12 027 715)	(11 839 495)
Operating loss	(358 908)	(915 262)
Investment revenue	31 537	18 682
(Loss)/profit on disposal of fixed assets	(964 689)	126 630
Loans written off	(772 856)	-
Loss for the year	(2 064 916)	(769 950)

THEMBALITSHA FOUNDATION NPC
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Share capital R	Capital fund R	Retained income R	Total equity R
Balance at 31 December 2019	-	4 200 000	12 797 894	16 997 894
Loss for the year	-	-	(769 950)	(769 950)
Balance at 31 December 2020	-	4 200 000	12 027 944	16 227 944
Loss for the year	-	-	(2 064 916)	(2 064 916)
Balance at 31 December 2021	-	4 200 000	9 963 027	14 163 028

THEMBALITSHA FOUNDATION NPC
STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Notes	2021 R	2020 R
Cash flows from operating activities			
Cash utilised from operations	7	163 996	218 852
Interest income		31 537	18 682
Net cash outflow from operating activities		193 533	237 534
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(494 573)	(185 852)
Proceeds on disposal		3 505 113	309 621
Net cash outflow from investing activities		3 010 540	123 769
Net increase in cash and cash equivalents		3 206 072	361 303
Cash and cash equivalents at beginning of the year		1 642 021	1 280 718
Cash and cash equivalents at end of the year	3	4 848 093	1 642 021

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 are carried at cost less accumulated depreciation and any impairment losses.

Item:	**Average useful life:**
Buildings	25 years
Computer equipment	3 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.

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.

1. ACCOUNTING POLICIES (continued)

1.2 Financial instruments (continued)

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

The foundation recognises a right-of-use asset and a corresponding lease liability at the lease commencement date, being the date at which the leased asset is available for use by the company.

The right-of-use asset is measured at cost initially, which will equal the amount of the lease liability and any applicable initial costs. The company excluded any initial direct costs from the measurement of the right-of-use assets at the date of initial application, as allowed under the practical expedients of IFRS 16. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements in the lease liability. Depreciation of the right-of-use asset is determined using the straight-line method, over the lease term or the useful life of the underlying leased asset, whichever is shorter. In addition, the right-of-use asset is tested for impairment when there are indicators of impairment and periodically reduced by impairment losses, if required.

The lease liability is measured initially at the present value of the lease payments not paid at commencement date, discounted using the implicit rate in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is subsequently increased by interest costs and decreased for lease payments made. It is only remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

1. ACCOUNTING POLICIES (continued)

1.4 Impairment of assets

The foundation 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.

The foundation 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.

1.5 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. ACCOUNTING POLICIES (continued)

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.

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

2021	Opening balance	Additions	Disposals	Closing balance
	R	R	R	R
Cost				
Land and buildings	14 857 790	-	4 454 907	10 402 883
Furniture and fittings	874 771	58 822	189 180	744 413
Motor vehicles	984 638	248 495	188 355	1 044 778
Office equipment	160 178	13 357	31 484	142 051
Computer software	636 136	173 899	39 993	770 042
	17 513 513	494 573	4 903 919	13 104 167

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	Opening Balance R	Depreciation R	Disposals R	Closing balance R
Accumulated depreciation				
Land and buildings	-	295 705	-	295 705
Furniture and fittings	788 716	45 558	184 009	650 265
Motor vehicles	930 416	81 288	188 355	823 349
Office equipment	133 748	21 778	24 148	131 377
Computer software	563 384	57 045	37 605	582 824
	2 416 264	501 373	434 117	2 483 520
Net book value	15 097 249			10 620 647

2020	Opening balance R	Additions R	Disposals R	Closing balance R
Cost				
Cost				
Land and buildings	14 726 515	131 275	-	14 857 790
Furniture and fittings	1 281 076	3 099	409 404	874 771
Motor vehicles	1 477 314	-	492 675	984 638
Office equipment	360 018	6 628	206 468	160 178
Computer software	684 501	44 850	93 215	636 136
	18 529 424	185 852	1 201 763	17 513 513

	Opening Balance R	Depreciation R	Disposals R	Closing balance R
Accumulated depreciation				
Land and buildings	-	-	-	-
Furniture and fittings	987 734	52 296	251 614	788 716
Motor vehicles	1 345 619	70 473	485 675	930 416
Office equipment	320 356	7 719	194 327	133 748
Computer software	586 617	63 922	87 156	563 384
	3 240 326	194 710	1 018 772	2 416 264
Net book value	15 289 098			15 097 249

	2021 R	2020 R
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Petty cash	5 106	6 028
Bank balances	4 842 987	1 635 993
	4 848 093	1 642 021

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

	2021 R	2020 R
Accrued expenses	102 300	65 875
Deferred income	1 281 399	1 266 604
	1 383 699	1 332 479

6. TAXATION

No provision has been made for 2021 normal tax as the foundation is not liable for taxation in terms of Section 10(1)(cN) of the South African Income Tax Act.

7. CASH GENERATED FROM OPERATIONS

	2021 R	2020 R
Loss before interest	(358 909)	(915 262)
Adjustments for:		
Depreciation	501 373	194 710
Depreciation on right of use assets	112 113	-
Lease payments	(143 450)	-
Interest on lease payments	18 116	-
Changes in working capital:		
Trade and other receivables	(16 377)	(3 793)
Trade and other payables	51 220	943 197
	163 996	218 852

8. DIRECTORS' EMOLUMENTS

	2021 R	2020 R
Executive		
For services as directors	536 368	438 514

	2021 R	2020 R
9. FINANCIAL RISK MANAGEMENT		
Financial instruments		
The foundation's financial instruments consist mainly of cash deposits, trade and other receivables and payables.		
Financial instruments by category:		
The carrying value of the foundation's financial instruments by category is as follows:		
Trade and sundry receivables	64 674	821 153
Bank and cash balances	4 848 093	1 642 021
Total financial assets	4 912 767	2 463 174
Trade and other payables	1 383 699	1 332 479
Total financial liabilities	1 383 699	1 332 479

The carrying value of the foundation's financial instruments approximate fair value.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the foundation. The foundation 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. LEASES

Leases are accounted for in terms of the lease standard (IFRS16- Lease) on a materiality basis. Those leases whereby only nominal rentals are paid these amounts are expensed as and when lease rental payments are made.

Right of use assets are amortised over the term of the lease so concerned.

	2021 R	2020 R
Right of use Assets		
Leases capitalised	339 282	-
Depreciation recognised	(112 113)	-
Impairments	-	-
Closing balance	227 168	

Security deposits are capitalised to the right of use asset. We assess that it is probable that such deposits will be recovered at the end of the lease term and amortise the right of use asset using said deposits as a residual value

	2021 R	2020 R
Right of use assets are comprised:		
Current	138 189	-
Non-current	88 980	-
Total	227 168	

Lease Liabilities

Lease liabilities are initially calculated by discounting the minimum lease payments at the interest rate implicit in the lease over the lease term. The foundation has utilised an incremental borrowing rate in the determination of the present value of our lease liabilities.

The directors believe that a fair and reasonable incremental borrowing rate was prime +1%

	2021 R	2020 R
Leases capitalised	319 282	-
Interest raised	18 116	-
Payments made	(123 540)	-
Closing balance	213 857	-

10. LEASES (continued)

Lease Liabilities (continued)

	Minimum lease payment	Interest	Present value
Within 12 months	139 140	5 648	133 492
Within 5 years	90 790	10 424	80 366
	229 930	16 073	213 857

11. 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 2021

	2021	2020
	R	R
Income	11 700 344	10 942 915
Donations/grants	10 322 014	10 545 227
Lotto funding	-	-
Street Smart	95 000	17000
Other income	1 251 793	362 006
Interest received	31 537	18 682
Operating expenses	12 027 716	11 839 495
Advertising/marketing/promotions	25 039	28 798
Bank charges	52 244	55 406
Catering and groceries	460 598	566 716
Computer and internet expenses	146 221	75 447
Consulting and professional fees	745 097	529 919
Depreciation	613 489	200 488
Educational equipment and development	333 116	250 780
Employee costs	7 300 059	7 639 375
Human Resources	72 195	-
Fundraising expenses	25 833	13 933
Insurance	230 675	243 497
Interest Paid	19 436	-
Lease rental	41 034	196 982
Legal fees	40 912	-
Lotto expenditure	-	-
Medical & pharmaceutical expenses	106 713	35 950
Printing and stationery	188 270	191 405
Repairs and maintenance	383 043	409 353
Security	123 300	251 023
Staff training and welfare	43 936	65 167
Telephone and fax expenses	119 026	185 591
Travel	80 336	65 531
Utilities	877 144	834 134
Operating loss including interest	(327 372)	(896 580)
(Loss) profit on disposal of fixed assets	(964 689)	126 630
Loans written off	(772 856)	-
Loss for the year	(2 064 917)	(769 950)

THEMBALITSHA FOUNDATION NPC
DETAILED STATEMENT OF COMPREHENSIVE INCOME (continued)
for the year ended 31 December 2021

	TOTAL	Elimination Journal	Head Office	School of Hope	Graceland	Global Fund	Mama Themba	Themba Care Grabouw	Themba Training	Village of Hope	Agape	Adelaide	Thembani ECD
	R	R	R	R	R	R	R	R	R	R	R	R	R
Income													
Donations / Grants	(10 322 014)	-	(1 335 480)	(6 043 733)	(643 427)	(554 013)	(142 408)	(2 800)	(321 995)	(550)	(534 708)	(241 400)	(501 500)
Streetsmart Funding	(95 000)	-	-	(90 000)	-	-	-	-	-	-	(5 000)	-	
Other Income Administration Contributions	-	609 000	(609 000)	-	-	-	-	-	-	-	-	-	-
Other Income	(1 113 293)	-	(61 308)	(294 645)	(65 115)	(1 090)	(550)	(42 550)	(114 663)	-	(175 970)	(552)	(346 850)
TF - Rental Income SOH	(118 500)	613 000	(601 000)	-	-	-	(12 000)	-	-	(118500)	-	-	-
Interest Received	(31 537)	-	(31 537)	-	-	-	-	-	-	-	-	-	-
	(11 700 344)	1 222 000	(2 638 325)	(6 428 378)	(708 542)	(555 103)	(154 958)	(45 350)	(466 658)	(119 050)	(715 678)	(241 952)	(848 350)
Operating expenses													
Advertising/Marketing/ Promotions	25 039	-	18 158	676	70	255	2 326	-	1 033	-	150	2 271	-
Bank Charges	52 244	-	27 900	5 922	3 191	2 197	-	1 287	1 531	1 293	4 045	1 626	3 252
Catering, Groceries and Consumables	460 598	-	13 336	199 561	33 714	89 539	3 208	-	63 675	-	26 066	3 650	27 849
Computer Expenses	146 221	-	41 012	75 642	3 820	7 019	2 881	-	3 169	-	-	5 648	7 030
Consulting/Professional Fees	745 097	-	713 062	12 330	-	6 255	-	13 450	-	-	-	-	-
Depreciation	613 489	-	87 806	119 497	19 641	11 169	264 594	-	43 046	-	50 624	14 201	2 911
Educational Equipment and Development	333 116	-	-	296 566	3 767	-	4 999	-	-	-	6 200	-	21 584
Travel	80 336	-	9 333	25 640	12 161	1 840	7427	-	5 500	1 141	4 500	7 315	5 479
Insurance	230 675	-	29 838	59 121	16 567	11 757	25 976	5 264	4 322	26 203	1 437	27 211	22 979
Human resources	72 195	-	72 195	-	-	-	-	-	-	-	--	-	-
Administration Fees	-	(609 000)	-	120 000	72 000	60 000	36 000	21 000	60 000	36 000	72 000	60 000	72 000
Rental - SOH	-	(613 000)	-	576 000	-	--	-	-	-	-	-	-	37 000
Interest paid	19 436	-	9 437	-	-	-	-	-	8 678	2	-	1 318	-
Medical & Pharmaceutical Expenses	106 713	-	95 680	3 331	3 142	426	-	-	50	-	1 740	-	2 344
Repairs and Maintenance	383 043	-	7 398	103 004	66 595	2 926	6 536	28 863	2 377	132 057	1 865	5 676	25 743
Printing and Stationery	188 270	-	4 397	155 540	3 487	2 875	1 564	-	891	-	1 375	2 450	15 691
Lease Rental	41 034	-	1 878	-	-	15 756	-	-	15 400	-	8 000	-	-
Employee Costs	7 300 059	-	2 260 6377	3 331 893	318 468	300 662	201 407	-	190 829	300	288 028	96 064	311 731
Security	123 300	-	5 696	9 602	6 898	4 023	2 915	2 148	-	73 826	12 281	5 222	689
Funding Expenses	25 833	-	-	11 943	-	-	-	-	5 695	-	-	7 237	958
Staff Training & Welfare	43 936	-	15 361	19 665	1 700	2 914	150	-	65	-	1 423	1 304	1 354
Telephone & Fax Expenses	119 026	-	14 924	45 108	13 773	-	8 079	16 581	3 080	-	3 069	12 852	1 560
Utilities	877 144	-	12 435	586 993	8 946	-	25 699	69 210	60 804	73 777	14 395	26 552	28 333
Legal fees	40 912	-	-	-	-	-	-	-	-	40 912	-	-	-
	12 027 716	(1 222 000)	3 444 700	5 758 034	558 040	519 613	593 764	157 803	440 145	385 511	497 198	280 597	588 487
Operational profit/ (loss)	(331 548)	-	(806 375)	670 344	120 502	35 490	(438 806)	(112 453)	26 513	(266 461)	218 480	(38 645)	259 863
Profit on disposal of fixed assets	(964 689)	-	-	-	-	-	94 345	(523 579)	-	(535 455)	-	-	-
Loan written off	(772 856)	-	(772 856)	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	(2 064 917)	-	(1 579 231)	670 344	120 502	35 490	(344 461)	(636 032)	26 513	(801 906)	218 480	(38 645)	259 863