

THEMBALITSHA FOUNDATION

Non-Profit Company

Registration Number: 1997/003064/08

ANNUAL FINANCIAL STATEMENTS

31 December 2024

**THEMBALITSHA FOUNDATION NPC**  
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**31 December 2024**

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**THEMBALITSHA FOUNDATION NPC  
ANNUAL FINANCIAL STATEMENTS  
31 December 2024**

**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>	A C Geard (Chairman) A M Carvalheiro G V Maswime M Fölscher R Adams M Volmink K Visser
<b>Business and registered address</b>	45 Newton Road Gants Centre Strand Western Cape 7140
<b>Postal address</b>	P O Box 1795 Somerset West Western Cape 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 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 next 12-month period from date of these financials 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 17 and the statement of detailed comprehensive income set out on pages 18 and 19, were approved by the board on 27 June 2025 and were signed on its behalf by:

*A Carvalho*

Director

**INDEPENDENT AUDITOR'S REPORT**  
**The 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 17, which comprise the statement of financial position as at 31 December 2024 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 for 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 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Financial Standards Board 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.



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

## 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.

Signed by:  
  
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**Deloitte & Touche**  
Registered Auditors  
Per Michelle Cronje  
Partner

27 June 2025

**THEMBALITSHA FOUNDATION NPC  
DIRECTOR'S REPORT  
31 December 2024**

The directors submit their report for the year ended 31 December 2024.

**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 R1 205 534 (2023: loss R926 277, after taxation of Rnil (2023: 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 macro-economic challenges 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 R1 059 963 (2023: R459 489) were made during the accounting period under review.

**Directors**

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

A C Geard (Chairman)	M Fölscher
A M Carvalho	M Volmink
K Visser	G V Maswime
R Adams	

**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 Malebo Faith Mogotle (Finance Manager) and were independently reviewed by Anna-Mari Dickason (CA SA).

**Auditors**

Deloitte & Touche, Registered Auditors.

THEMBALITSHA FOUNDATION NPC  
STATEMENT OF FINANCIAL POSITION  
31 December 2024

	<u>Notes</u>	<u>2024</u> R	<u>2023</u> R
<b>ASSETS</b>			
<b>Non-current assets</b>		11 588 178	10 515 390
Property, plant and equipment	2	10 477 631	10 217 236
Right use of assets	11	1 110 547	298 154
<b>Current assets</b>		3 465 830	6 726 046
Trade and other receivables		16 065	80 912
Cash and cash equivalents	3	2 387 055	4 208 122
Investments	4	1 062 710	2 437 012
<b>Total assets</b>		15 054 008	17 241 436
<b>EQUITY AND LIABILITIES</b>			
Retained income		9 657 121	10 862 655
Capital Fund		4 200 000	4 200 000
<b>Non-Current Liabilities</b>			
Non-current portion of lease liability	10	758 807	-
<b>Current liabilities</b>			
Trade and other payables	6	72 273	1 846 853
Current portion of lease liabilities	10	365 807	331 928
<b>Total equity and liabilities</b>		15 054 008	17 241 436

**THEMBALITSHA FOUNDATION NPC  
STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2024**

	<u>2024</u>	<u>2023</u>
	R	R
Donations and grants	13 292 184	12 103 457
Donation: Marion Lahann Trust	30 000	25 000
Other income	1 567 030	1 523 950
Rental income	12 200	-
Operating expenses	(16 352 565)	(14 998 728)
	<hr/>	<hr/>
<b>Operating loss</b>	(1 451 151)	(1 346 321)
Investment interest	115 136	188 847
Investment fair value gain	125 698	231 197
Loss on disposal of fixed assets	20 356	-
Bad debts written off	(15 573)	-
	<hr/>	<hr/>
<b>Loss for the year</b>	(1 205 534)	(926 277)
	<hr/> <hr/>	<hr/> <hr/>

THEMBALITSHA FOUNDATION NPC  
 STATEMENT OF CHANGES IN EQUITY  
 for the year ended 31 December 2024

	<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 2022</b>	-	4 200 000	11 788 932	15 988 932
Loss for the year	-	-	(926 277)	(926 277)
	-----	-----	-----	-----
<b>Balance at 31 December 2023</b>	-	4 200 000	10 862 655	15 062 655
Loss for the year	-	-	(1 205 534)	(1 205 534)
	-----	-----	-----	-----
<b>Balance at 31 December 2024</b>	-	4 200 000	9 657 121	13 857 121
	=====	=====	=====	=====

THEMBALITSHA FOUNDATION NPC  
STATEMENT OF CASH FLOWS  
for the year ended 31 December 2024

	<u>Notes</u>	<u>2024</u> R	<u>2023</u> R
<b>Cash flows from operating activities</b>			
Cash (utilised)/generated from operations	7	(2 435 374)	(217 659)
Interest income		115 136	188 847
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(2 320 238)	(28 812)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1 059 963)	(459 489)
Investment realised		1 500 000	400 000
Proceeds on disposal		59 134	7 891
		<hr/>	<hr/>
Net cash inflow (outflow) from investing activities		499 171	(51 598)
		<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>		(1 821 067)	(80 410)
Cash and cash equivalents at beginning of the year		4 208 122	4 288 532
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	3	2 387 055	4 208 122
		<hr/> <hr/>	<hr/> <hr/>

**THEMBALITSHA FOUNDATION NPC**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**31 December 2024**

**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.

THEMBALITSHA FOUNDATION NPC  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
31 December 2024

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

2024	Opening balance R	Additions R	Disposals R	Closing balance R
<b>Cost</b>				
Land and buildings	10 402 884	-	-	10 402 884
Furniture and fittings	836 727	182 212	(63 786)	955 153
Motor vehicles	1 044 778	-	(214 927)	829 851
Office equipment	514 062	126 766	(2 792)	638 035
Computer software	897 737	750 985	(8 090)	1 640 632
	<hr/>	<hr/>	<hr/>	<hr/>
	13 696 187	1 059 963	(289 596)	14 466 554
	<hr/>	<hr/>	<hr/>	<hr/>

THEMBALITSHA FOUNDATION NPC  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
31 December 2024

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	<u>Opening Balance</u> R	<u>Depreciation</u> R	<u>Disposals</u> R	<u>Closing balance</u> R
<b><u>Accumulated depreciation</u></b>				
Land and buildings	846 803	275 549	-	1 122 353
Furniture and fittings	715 190	54 962	(25 011)	745 141
Motor vehicles	945 371	49 699	(214 927)	780 152
Office equipment	149 531	95 290	(2 792)	242 028
Computer software	822 048	285 290	(8 090)	1 099 249
	<hr/>	<hr/>	<hr/>	<hr/>
	3 478 953	760 790	(250 821)	3 988 923
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>	10 217 236			10 477 631
	<hr/> <hr/>			<hr/> <hr/>
<b>2023</b>	<u>Opening balance</u> R	<u>Additions</u> R	<u>Disposals</u> R	<u>Closing balance</u> R
<b><u>Cost</u></b>				
Land and buildings	10 402 883	-	-	10 402 883
Furniture and fittings	809 434	36 267	8 974	836 727
Motor vehicles	1 044 778	-	-	1 044 778
Office equipment	142 051	372 013	-	514 064
Computer software	850 441	51 209	3 912	897 738
	<hr/>	<hr/>	<hr/>	<hr/>
	13 249 587	459 489	12 886	13 696 189
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<u>Opening Balance</u> R	<u>Depreciation</u> R	<u>Disposals</u> R	<u>Closing balance</u> R
<b><u>Accumulated depreciation</u></b>				
Land and buildings	571 254	275 549	-	846 803
Furniture and fittings	686 669	33 516	4 995	715 190
Motor vehicles	884 365	61 016	-	945 371
Office equipment	136 816	12 715	-	149 531
Computer software	739 580	82 468	-	822 048
	<hr/>	<hr/>	<hr/>	<hr/>
	3 018 684	465 264	4 995	3 478 953
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>	10 230 903			10 217 236
	<hr/> <hr/>			<hr/> <hr/>

THEMBALITSHA FOUNDATION NPC  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
31 December 2024

	<u>2024</u>	<u>2023</u>
	R	R
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Petty cash	3 944	1 294
Bank balances	2 383 112	4 206 828
	<hr/>	<hr/>
	2 387 055	4 208 122
	<hr/> <hr/>	<hr/> <hr/>
<b>4. INVESTMENTS</b>		
MiPlan IP Enhanced Income Fund A – cost	600 000	2 100 000
Fair value movement gain	462 710	337 012
	<hr/>	<hr/>
	1 062 710	2 437 012
	<hr/> <hr/>	<hr/> <hr/>
<b>5. SHARE CAPITAL</b>		
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.		
<b>6. TRADE AND OTHER PAYABLES</b>		
Accrued expenses	(72 273)	(115 188)
Deferred income	-	(1 731 665)
	<hr/>	<hr/>
	(72 273)	(1 846 853)
	<hr/> <hr/>	<hr/> <hr/>
<b>7. TAXATION</b>		
No provision has been made for 2024 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>8. CASH GENERATED FROM OPERATIONS</b>		
Loss before interest	(1 451 151)	(1 346 321)
<b>Adjustments for:</b>		
Depreciation	760 790	465 264
Depreciation on right of use assets	453 493	452 682
Lease payments	(518 919)	(494 830)
Deposits recovered	-	8 109
Interest on lease payments	45 719	61 881
Bad debts written off	(15 573)	-
<b>Changes in working capital:</b>		
Trade and other receivables	64 847	(23 339)
Trade and other payables	(1 774 580)	658 895
	<hr/>	<hr/>
	(2 435 374)	(217 659)
	<hr/> <hr/>	<hr/> <hr/>

THEMBALITSHA FOUNDATION NPC  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
31 December 2024

	<u>2024</u> R	<u>2023</u> R
<b>9. DIRECTORS' EMOLUMENTS</b>		
Executive For services as directors	1 218 662	1 250 989
	<u>                    </u>	<u>                    </u>
<b>10. FINANCIAL RISK MANAGEMENT</b>		
<b>Financial instruments</b>		
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	16 065	80 912
Bank and cash balances	2 387 055	4 208 122
Investments	1 062 710	2 437 012
	<u>                    </u>	<u>                    </u>
Total financial assets	3 465 830	6 726 046
	<u>                    </u>	<u>                    </u>
Trade and other payables	(72 271)	(1 846 853)
	<u>                    </u>	<u>                    </u>
Total financial liabilities	(72 271)	(1 846 853)
	<u>                    </u>	<u>                    </u>

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.

THEMBALITSHA FOUNDATION NPC  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
31 December 2024

11. LEASE LIABILITY AND RIGHT OF USE ASSETS

Leases are accounted for in terms of the lease standard. 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.

	<u>2024</u> R	<u>2023</u> R
<b>Right of use Assets – property leases</b>		
Leases capitalised	1 265 855	804 807
Depreciation accumulated	(154 828)	(506 654)
	<hr/>	<hr/>
<b>Closing balance</b>	<b>1 110 547</b>	<b>298 154</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**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%

Leases capitalised	1 597 814	804 808
Interest raised	45 719	74 440
Payments made	(518 919)	(547 320)
	<hr/>	<hr/>
Closing balance	<b>1 124 614</b>	<b>331 928</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>Minimum lease payment</b>	<b>Interest</b>	<b>Present value</b>
Within 12 months	489 825	124 018	365 807
Within 5 years	856 601	97 794	758 807
	<hr/>	<hr/>	<hr/>
	<b>1 346 426</b>	<b>221 812</b>	<b>1 124 614</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. RELATED PARTY TRANSACTIONS

Details of directors' emoluments have been disclosed in note 9.  
There are no other significant related party transactions.

**THEMBALITSHA FOUNDATION NPC**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2024**

	<u>2024</u>	<u>2023</u>
	R	R
<b>Income</b>	15 016 550	13 841 254
Donations/grants	13 292 184	12 103 457
Donations: Marion Lahann Trust	30 000	25 000
Other income	1 579 230	1 523 950
Interest received	115 136	188 847
<b>Operating expenses</b>	16 352 565	14 998 728
Advertising/marketing/promotions	81 096	84 529
Bank charges	44 045	44 302
Catering and groceries	649 570	533 828
Computer and internet expenses	219 966	318 701
Consulting and professional fees	1 306 061	477 080
Depreciation	1 214 282	917 946
Donation paid	160 000	-
Educational equipment and development	105 148	561 258
Employee costs	10 174 821	9 730 936
Human Resources	20 580	22 113
Generosity project	8 736	-
Fundraising expenses	89 580	72 312
Insurance	287 566	220 239
Interest Paid	45 719	61 881
Lease rental	29 923	31 247
Legal fees	20 671	-
Medical & pharmaceutical expenses	134 083	110 145
Non capex expenditure	-	3 980
Printing and stationery	291 585	245 109
Repairs and maintenance	295 166	337 685
Security	46 605	47 389
Staff training and welfare	103 043	205 541
Telephone and fax expenses	774	10 422
Travel	107 534	145 423
Utilities	915 651	816 662
<b>Operating loss including interest</b>	(1 336 015)	(1 157 474)
Profit on disposal of fixed assets	20 356	-
Investment fair value gain	125 698	231 197
Bad debts written off	(15 573)	-
<b>Loss for the year</b>	(1 205 534)	(926 277)

**THEMBALITSHA FOUNDATION NPC  
DETAILED STATEMENT OF COMPREHENSIVE INCOME (continued)  
for the year ended 31 December 2024**

	<u>TOTAL</u> R	<u>Elimination</u> <u>Journal</u> R	<u>Service Centre</u> R	<u>School of</u> <u>Hope</u> R	<u>Graceland</u> R	<u>Mama</u> <u>Themba</u> R	<u>Themba</u> <u>Training</u> R	<u>Agape</u> R	<u>Themba</u> <u>Connect</u> R	<u>Thembanl</u> R
<b>Income</b>										
Donations / Grants	13 292 184	-	5 478 321	4 247 285	294 854	1 182 318	766 919	682 932	302 284	337 271
Donation: Marion Lahann Trust	30 000	-	30 000	-	-	-	-	-	-	-
Other Income Administration Contributions	-	(1 320 240)	1 320 240	-	-	-	-	-	-	-
Other Income	1 567 030	-	14 531	245 792	101 120	4 980	358 173	288 190	33 145	521 099
TF - Rental Income SOH	12 200	(918 060)	918 060	-	-	-	12 200	-	-	-
Investment income	125 698	-	125 698	-	-	-	-	-	-	-
Interest Received	115 136	-	115 136	-	-	-	-	-	-	-
	<u>15 142 248</u>	<u>(2 238 300)</u>	<u>8 001 986</u>	<u>4 493 077</u>	<u>395 974</u>	<u>1 187 298</u>	<u>1 137 292</u>	<u>971 122</u>	<u>335 429</u>	<u>858 370</u>
<b>Operating expenses</b>										
Advertising/Marketing/ Promotions	81 096	-	67 832	-	-	-	11 148	-	1 251	865
Bank Charges	44 405	-	19 507	4 510	3 125	1 851	4 227	4 233	1 570	5 382
Catering, Groceries and Consumables	649 570	-	12 905	122 686	38 897	233 316	136 676	51 488	1 209	52 392
Cellphone Expenses	774	-	774	-	-	-	-	-	-	-
Cleaning Expenses	112 102	-	2 507	68 455	7 379	344	5 939	10 733	1 628	15 117
Computer Expenses	219 966	-	18 932	136 827	13 206	2 346	15 707	2 167	15 044	15 737
Consulting/Professional Fees	1 306 061	-	934 276	337 022	-	4 000	30 763	-	-	-
Depreciation	1 214 282	-	177 487	367 028	4 185	91 724	263 173	60 350	1 328	249 007
Donation paid	160 000	-	-	-	-	-	-	-	160 000	-
Educational Equipment and Development	105 148	-	-	73 387	1 533	-	-	1 784	-	28 444
Expansion Costs	8 828	-	-	-	-	5 052	3 020	-	-	756
Travel	107 534	-	30 220	22 424	13 775	7 600	9 554	7 427	5 800	10 734
Insurance	287 566	-	25 900	123 983	20 756	12 508	22 404	7 992	16 837	57 186
Human resources	20 580	-	20 580	-	-	-	-	-	-	-
Administration Fees	-	(1 320 240)	-	445 440	168 000	168 000	168 000	168 000	34 800	168 000
Rental - SOH	-	(918 060)	-	834 600	-	-	-	-	-	83 460
Interest paid	45 719	-	13 779	-	-	4 382	27 558	-	-	-
Medical & Pharmaceutical Expenses	134 083	-	7 005	34 741	25 640	10 586	13 353	17 167	497	25 094
Repairs and Maintenance	174 23	-	9 900	44 138	8 023	369	27 908	15 242	15 386	53 270
Printing and Stationery	291 585	-	8 841	208 230	2 292	3 040	17 979	6 862	16 485	27 856
Lease Rental	29 923	-	16 926	-	-	-	(3)	13 000	-	-
Employee Costs	10 174 821	-	3 069 586	4 697 653	352 506	515 077	510 567	398 246	101 659	529 527
Security	46 605	-	2 673	12 891	8 572	-	4 564	11 285	2 774	3 843
Funding Expenses	89 580	-	-	-	3 261	-	26 010	1 548	53 074	5 687
Staff Training & Welfare	103 043	-	43 183	20 341	5 836	7 443	7 677	7 199	1 425	9 939
Utilities	915 651	-	26 715	686 354	8 597	4 789	60 546	41 343	12 781	74 526
Legal fees	20 671	-	-	20 671	-	-	-	-	-	-
Non capex	-	(45 000)	-	-	-	-	45 000	-	-	-
Generosity project	8 736	-	-	3 586	5 000	150	-	-	-	-
	<u>16 352 565</u>	<u>(2 283 300)</u>	<u>4 509 529</u>	<u>8 264 970</u>	<u>690 583</u>	<u>1 072 577</u>	<u>1 411 770</u>	<u>826 056</u>	<u>443 548</u>	<u>1 416 822</u>
Operational profit/ (loss)	(1 210 317)	(45 000)	3 492 457	(3 771 893)	(294 609)	114 721	(274 478)	145 056	(108 119)	(558 452)
Profit on disposal of fixed assets	20 356	45 000	45 000	-	-	-	39 130	-	(18 774)	-
Bad debts written off	(15 573)	-	-	-	-	-	-	-	(15 573)	-
<b>Profit/(loss) for the year</b>	<u>(1 205 534)</u>	<u>-</u>	<u>3 537 457</u>	<u>(3 771 893)</u>	<u>(294 609)</u>	<u>114 721</u>	<u>(235 348)</u>	<u>145 056</u>	<u>(142 466)</u>	<u>(558 452)</u>