THEMBALITSHA FOUNDATION

Non-Profit Company

Registration Number: 1997/003064/08

ANNUAL FINANCIAL STATEMENTS

31 December 2025

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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	A C Geard (Chairman) A M Carvalheiro G V Maswime R Adams M Volmink K Visser M Khalfey
Business and registered address	45 Newton Road Gants Centre Strand Western Cape 7140
Postal address	P O Box 1795 Somerset West Western Cape 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 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 18 and the statement of detailed comprehensive income set out on pages 19 and 20, were approved by the board on 9 July 2026 and were signed on its behalf by:

A Carvalheiro

Director

Private Bag X6
Gallo Manor 2052
South Africa

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Registered Auditors
Audit & Assurance
Audit
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5 Magwa Crescent
Waterfall City
Waterfall 2090

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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 18, which comprise the statement of financial position as at 31 December 2025 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 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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.

Deloitte.

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:
Deloitte & Touche
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Deloitte & Touche
Registered Auditors

Per Michelle Cronje
Partner
9 July 2026

THEMBALITSHA FOUNDATION NPC
DIRECTOR'S REPORT
31 December 2025

The directors submit their report for the year ended 31 December 2025.

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 R201 365 (2024: loss R1 205 534, after taxation of Rnil (2024: 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 organisation has received an offer for the purchase of the School of Hope property. If this is concluded, it will result in a moderate gain. The directors are not aware of any other 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 R147 349 (2024: R1 059 963) 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 Volmink
A M Carvalheiro	G V Maswime
K Visser	M Khalfey
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 independently finalised by Anna-Mari Dickason (CA SA) based on information prepared by Malebo Faith Mogotle (Finance Manager).

Auditors

Deloitte & Touche, Registered Auditors.

THEMBALITSHA FOUNDATION NPC
STATEMENT OF FINANCIAL POSITION
31 December 2025

	Notes	2025 R	2024 R
ASSETS			
Non-current assets		10 609 928	11 588 178
Property, plant and equipment	2	9 870 328	10 477 631
Right use of assets	12	739 600	1 110 547
Current assets		3 936 925	3 465 830
Trade and other receivables		26 701	16 065
Cash and cash equivalents	3	2 847 334	2 387 055
Investments	4	1 062 890	1 062 710
Total assets		14 546 853	15 054 008
EQUITY AND LIABILITIES			
Retained income		9 455 756	9 657 121
Capital Fund		4 200 000	4 200 000
Non-Current Liabilities			
Non-current portion of lease liability	11	450 953	758 807
Current liabilities			
Trade and other payables	6	65 442	72 273
Current portion of lease liabilities	11	374 702	365 807
Total equity and liabilities		14 546 853	15 054 008

THEMBALITSHA FOUNDATION NPC
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	2025 R	2024 R
Donations and grants	9 069 840	13 292 184
Donation: Marion Lahann Trust	20 000	30 000
Other income	1 258 021	1 567 030
Rental income	149 236	12 200
Operating expenses	(11 037 783)	(16 352 565)
Operating loss	(540 686)	(1 451 151)
Investment interest	176 770	115 136
Investment fair value gain	180	125 698
Profit on disposal of fixed assets	162 371	20 356
Bad debts written off	-	(15 573)
Loss for the year	(201 365)	(1 205 534)

THEMBALITSHA FOUNDATION NPC
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

	Share capital R	Capital fund R	Retained income R	Total equity R
Balance at 31 December 2023	-	4 200 000	10 862 655	15 062 655
Loss for the year	-	-	(1 205 534)	(1 205 534)
Balance at 31 December 2024	-	4 200 000	9 657 121	13 857 121
Loss for the year			(201 365)	(201 365)
Balance at 31 December 2025		4 200 000	9 455 756	13 655 756

THEMBALITSHA FOUNDATION NPC
STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025 R	2024 R
Cash flows from operating activities			
Cash generated/(utilised) from operations	8	228 737	(2 435 374)
Interest income		176 770	115 136
Net cash inflow/(outflow) from operating activities		405 507	(2 320 238)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(147 349)	(1 059 963)
Investment withdrawal	4	-	1 500 000
Proceeds on disposal		202 121	59 134
Net cash outflow from investing activities		54 772	449 171
Net decrease in cash and cash equivalents		460 279	(1 821 067)
Cash and cash equivalents at beginning of the year		2 387 055	4 208 122
Cash and cash equivalents at end of the year	3	2 847 334	2 387 055

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

2025	Opening balance	Additions	Disposals	Closing balance
	R	R	R	R
Cost				
Land and buildings	10 402 884	-	-	10 402 884
Furniture and fittings	955 153	147 349	(501 745)	600 757
Motor vehicles	829 851	-	(324 995)	503 856
Office equipment	638 035	-	(29 771)	608 264
Computer software	1 640 632	-	(672 860)	967 771
	14 466 554	147 349	(1 530 371)	13 083 532

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	Opening Balance R	Depreciation R	Disposals R	Closing balance R
Accumulated depreciation				
Land and buildings	1 122 353	275 549	-	1 397 902
Furniture and fittings	745 141	63 004	(501 745)	306 400
Motor vehicles	780 152	12 425	(288 721)	503 856
Office equipment	242 028	99 755	(29 771)	312 012
Computer software	1 099 249	264 169	(670 385)	693 034
	3 988 923	714 902	(1 490 621)	3 213 204
Net book value	10 477 631			9 870 328

2024	Opening balance R	Additions R	Disposals R	Closing balance R
Cost				
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
	13 696 187	1 059 963	(289 596)	14 466 554

	Opening Balance R	Depreciation R	Disposals R	Closing balance R
Accumulated depreciation				
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
	3 478 953	760 790	(250 821)	3 988 923
Net book value	10 217 236			10 477 631

	2025	2024
	R	R

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025	2024
Petty cash	-	3 944
Bank balances	2 847 334	2 383 112
	2 847 334	2 387 055

4. INVESTMENTS

	2025	2024
MiPlan IP Enhanced Income Fund A – cost	600 000	600 000
Fair value gain (cumulative linked to level 1 IFRS7 instruments)	462 890	462 710
	1 062 890	1 062 710

5. 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.

6. TRADE AND OTHER PAYABLES

	2025	2024
Accrued expenses	(65 441)	(72 273)
Deferred income	(1)	-
	(65 442)	(72 273)

7. TAXATION

No provision has been made for 2025 normal tax as the foundation is not liable for taxation in terms of Section 10(1)(cN) of the South African Income Tax Act.

8. CASH GENERATED FROM OPERATIONS

	2025	2024
Loss before interest	(540 686)	(1 451 151)
Adjustments for:		
Depreciation	714 902	760 790
Depreciation on right of use assets	497 120	453 493
Lease payments	(558 644)	(518 919)
Interest on lease payments	133 512	45 719
Bad debts written off	-	(15 573)
Changes in working capital:		
Trade and other receivables	(10 636)	64 847
Trade and other payables	(6 831)	(1 774 580)
	228 737	(2 435 374)

	2025	2024
	R	R

9. DIRECTORS' EMOLUMENTS

	2025 R	2024 R
Executive		
For services as directors	989 801	1 218 662

10. 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:

	2025 R	2024 R
Trade and sundry receivables	26 701	16 065
Bank and cash balances	2 847 334	2 387 055
Investments at fair value	1 062 890	1 062 710
Total financial assets	3 936 925	3 465 830
Trade and other payables	(65 442)	(72 271)
Total financial liabilities	(65 442)	(72 271)

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.

11. LEASE LIABILITY

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.

	2025	2024
	R	R
Right of use Assets		
Leases capitalised	1 392 028	1 265 855
Depreciation recognised	(652 428)	(154 828)
Closing balance	739 600	1 110 547

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%

	2025	2024
Leases capitalised	1 723 987	1 597 814
Interest raised	179 231	45 719
Payments made	(1 077 563)	(518 919)
Closing balance	825 655	1 124 614

	Minimum lease payment	Interest	Present value
Within 12 months	533 272	82 319	450 953
Within 5 years	397 944	23 242	374 702
	931 216	105 561	825 655

12. RELATED PARTY TRANSACTIONS

Details of directors’ emoluments have been disclosed in note 9.

There are no other significant related party transactions.

13. SUBSEQUENT EVENTS

The organisation has received an offer for the purchase of the School of Hope property. If this is concluded, it will result in a moderate financial gain for the foundation.

THEMBALITSHA FOUNDATION NPC
DETAILED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	2025 R	2024 R
Income	10 673 867	15 016 550
Donations/grants	9 069 840	13 292 184
Donations: Marion Lahann Trust	20 000	30 000
Other income	1 407 257	1 579 230
Interest received	176 770	115 136
Operating expenses	11 037 783	16 352 655
Advertising/marketing/promotions	105 277	81 096
Bank charges	40 864	44 045
Catering and groceries	635 285	649 660
Computer and internet expenses	111 113	219 966
Consulting and professional fees	1 087 999	1 306 061
Depreciation	1 212 023	1 214 282
Donation paid	-	160 000
Educational equipment and development	214 257	105 148
Employee costs	5 584 840	10 174 821
Fines and Penalties	1 010	-
Funding expenses	44 644	89 580
Generosity Project	-	8 736
Human Resources	43 007	20 580
Insurance	267 332	287 566
Interest Paid	131 640	45 719
Lease rental	28 395	29 923
Legal fees	-	20 671
Medical & pharmaceutical expenses	93 811	134 083
Printing and stationery	66 193	291 585
Repairs and maintenance	227 362	295 166
Security	39 084	46 605
Staff training and welfare	93 596	103 043
Telephone and fax expenses	-	774
Travel	78 478	107 534
Utilities	931 573	915 651
Operating loss including interest	(363 916)	(1 336 105)
Profit on disposal of fixed assets	162 371	20 356
Investment fair value gain	180	125 698
Bad debts written off	-	(15 573)
Loss for the year	(201 365)	(1 205 534)

THEMBALITSHA FOUNDATION NPC
DETAILED STATEMENT OF COMPREHENSIVE INCOME (continued)
for the year ended 31 December 2025

	TOTAL	Elimination Journal	Service Centre	School of Hope	Graceland	Mama Themba	Themba Training	Agape	Themba Connect	Thembani
	R	R	R	R	R	R	R	R	R	R
Income										
Donations / Grants	9 069 840	-	4 437 105	501 512	629 994	1 002 112	1 176 070	575 844	-	747 203
Donation: Marion Lahann Trust	20 000	-	20 000	-	-	-	-	-	-	-
Other Income Administration Contributions	-	(882 000)	882 000	-	-	-	-	-	-	-
Other Income	1 258 021	-	8 750	-	121 080	6 144	389 812	196 390	-	535 845
TF - Rental Income SOH	149 236	(87 636)	87 636	-	-	-	149 236	-	-	-
Investment income (fair value movement)	180	-	180	-	-	-	-	-	-	-
Interest Received	176 770	-	176 770	-	-	-	-	-	-	-
	10 674 047	(969 636)	5 612 441	501 512	751 074	1 008 256	1 715 118	772 234	-	1 283 048
Operating expenses										
Advertising/Marketing/ Promotions	105 277	-	97 384	-	-	-	7 893	-	-	-
Bank Charges	40 864	-	19 613	1 591	3 460	2 782	4 279	4 623	955	3 561
Catering, Groceries and Consumables	635 285	-	24 251	311	45 861	266 247	175 575	66 953	-	56 087
Cellphone Expenses	-	-	-	-	-	-	-	-	-	-
Cleaning Expenses	43 146	-	2 458	700	6 772	256	5 180	16 572	-	11 208
Computer Expenses	111 113	-	25 636	32 930	12 966	4 245	18 196	2 559	155	14 425
Consulting/Professional Fees	1 087 999	-	985 409	55 000	-	14 500	31 00	-	-	1 590
Depreciation	1 212 023	-	280 368	60 014	41 214	99 833	362 729	93 230	-	274 635
Donation paid	-	-	-	-	-	-	-	-	-	-
Educational Equipment and Development	214 257	-	181 200	1 909	96	-	-	723	-	30 329
Expansion Costs	36 730	-	-	-	-	-	36 730	-	-	-
Travel	78 478	-	25 531	559	15v033	5 600	8 786	10 579	-	12 390
Insurance	267 332	-	36 100	57 094	32 913	13 573	46 235	8 747	-	72 668
Human resources	43 007	-	43 007	-	-	-	-	-	-	-
Administration Fees	-	(882 000)	-	-	176 400	176 400	176 400	176 400	-	176 400
Rental - SOH	-	(87 636)	-	-	-	-	-	-	-	87 636
Interest paid	131 640	-	42 952	-	-	4 656	84 032	-	-	-
Medical & Pharmaceutical Expenses	93 811	-	5 552	2 578	23 429	9 750	12 087	14 453	-	25 962
Repairs and Maintenance	147 486	-	14 837	59 103	4 844	710	17 523	17 805	-	32 664
Printing and Stationery	66 193	-	8 264	-	82 834	2 260	21 185	6 284	1 840	23 526
Lease Rental	28 395	-	16 359	-	-	36	-	12 000	-	-
Employee Costs	5 584 840	-	2 859 201	198 212	374 650	506 713	693 156	406 599	-	546 309
Security	39 084	-	2 359	2 031	8 985	-	11 133	10 053	-	4 523
Funding Expenses	44 644	-	-	-	3 183	-	15 928	5 114	-	20 419
Fines and Penalties	1 010	-	-	-	-	-	-	1 010	-	-
Staff Training & Welfare	93 596	-	58 483	865	4 543	7 173	7 898	5 613	-	9 021
Utilities	931 573	-	42 605	674 084	40 088	5 389	72 686	35 004	-	61 717
Legal fees	-	-	-	-	-	-	-	-	-	-
Non capex	-	-	-	-	-	-	-	-	-	-
Generosity project	-	-	-	-	-	-	-	-	-	-
	11 037 783	(969 636)	4 771 569	1 146 981	797 271	1 120 126	1 809 131	894 321	2 950	1 465 070
Operational profit/ (loss)	(363 736)	-	840 872	(645 469)	(46 197)	(111 870)	(94 013)	(122 087)	(2 950)	(182 022)
Profit on disposal of fixed assets	162 371	-	22 775	133 596	-	-	6 000	-	-	-
Bad debts written off	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	(201 365)	-	863 647	(511 873)	(46 197)	(111 870)	(88 013)	(122 087)	(2 950)	(182 022)