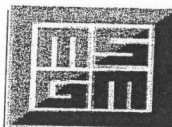


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THE NELSON MANDELA FOUNDATION

(REGISTRATION NUMBER: IT9259/99)

FINANCIAL STATEMENTS FOR THE 18 MONTHS ENDED
28 FEBRUARY 2001
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REPORT OF THE INDEPENDENT AUDITORS TO THE BENEFICIARIES AND TRUSTEES OF THE NELSON MANDELA FOUNDATION

We have audited the annual financial statements set out on pages 2 to 10 for the 18 months ended 28 February 2001. These financial statements are the responsibility of the trustees of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with similar organisations, it is not feasible for the Foundation to institute accounting controls over collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified audit opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Foundation at 28 February 2001 and the results of its operations and cash flows for the 18 months then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

MSGM Masuku Jeena Inc
MSGM Masuku Jeena Inc
Chartered Accountants (SA)
Registered Accountants and Auditors

PRETORIA
13 March 2001

PricewaterhouseCoopers Inc
PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors

PRETORIA
13 March 2001

THE NELSON MANDELA FOUNDATION

REPORT OF THE TRUSTEES FOR THE 18 MONTHS ENDED
28 FEBRUARY 2001

1. GENERAL OVERVIEW

The object of the Foundation is to promote the cause of peace, reconciliation and justice within South Africa, elsewhere on the African continent, and in other parts of the world. The foundation's business and operations and the results thereof are clearly reflected in the attached financial statements.

2. STATEMENTS OF RESPONSIBILITY

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements.

The trustees are also responsible for the foundation's system of internal financial control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the period under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the Foundation has adequate resources in place to continue in operation for the foreseeable future.

3. TRUSTEES

The trustees of the Foundation during the period of 18 months and up to the date of this report are as follows:

Trustee	Date of appointment	Trustee	Date of appointment
Fraser-Moleketi G J	6 September 1999	Mlambo-Ngcuka P	6 September 1999
Gerwel G J	6 September 1999	Motlana N H	6 September 1999
Ginwala F N	6 September 1999	Msimang M	6 September 1999
Haysom N R L	6 September 1999	Ndebele N S	6 September 1999
Kathrada A M	6 September 1999	Netshitenzhe J K	6 September 1999
Liebenberg C F	6 September 1999	Ntsebeza D	6 September 1999
Machel G S*	6 September 1999	Ramaphosa M C	6 September 1999
Maharaj S R	6 September 1999	Ramphela M A	6 September 1999
Mandela M P	6 September 1999	Sangoni T	6 September 1999
Mandela N R	6 September 1999	Sexwale T G	6 September 1999
Masekela B J M	6 September 1999	Sisulu L	6 September 1999
Mennell I	6 September 1999	Sonn F A	6 September 1999

*Mozambique nationality

4. POST BALANCE SHEET EVENTS

No material fact or circumstance has occurred between the accounting date and the date of this report.

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THE NELSON MANDELA FOUNDATION

INCOME STATEMENT FOR THE 18 MONTHS ENDED 28 FEBRUARY 2001

	Notes	2001 (18 Months) R
INCOME		37 980 739
Donations received	2	37 980 739
EXPENDITURE		9 697 607
Operating expenses	3	6 697 248
Salaries and wages		2 757 288
Auditors' remuneration		81 122
Depreciation		161 949
Net income before finance income		28 283 132
Net finance income	4	3 448 054
Net income for the period		31 731 186
Income tax	5	-
RETAINED FUNDS FOR THE PERIOD TRANSFERRED TO TRUST FUND		31 731 186

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THE NELSON MANDELA FOUNDATION
BALANCE SHEET AT 28 FEBRUARY 2001

	Notes	2001 R
ASSETS		
NON-CURRENT ASSETS		534 487
Property, plant and equipment	6	534 487
CURRENT ASSETS		31 423 483
Accounts receivable		4 140
Cash and cash equivalents	7	31 413 073
Prepaid expenses		6 270
TOTAL ASSETS		31 957 970
EQUITY AND LIABILITIES		
EQUITY		31 732 186
Trust capital		1 000
Trust fund		31 731 186
CURRENT LIABILITIES		225 784
Accounts payable		105 909
Sundry creditors		119 875
TOTAL EQUITY AND LIABILITIES		31 957 970

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THE NELSON MANDELA FOUNDATION

STATEMENT OF CHANGES IN EQUITY FOR THE 18 MONTHS
ENDED 28 FEBRUARY 2001

	Trust capital R	Trust fund R	Total R
Balance at 6 September 1999	-	-	-
Trust capital donated	1 000	-	1 000
Trust funds end of the period	-	31 731 186	31 731 186
Balance at 28 February 2001	<u>1 000</u>	<u>31 731 186</u>	<u>31 732 186</u>

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THE NELSON MANDELA FOUNDATION

CASH FLOW STATEMENT FOR THE 18 MONTHS ENDED 28 FEBRUARY 2001

	Notes	2001 (18 Months) R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash utilised in operating activities	8	28 664 846
Interest received		3 448 054
Interest paid		(4 391)
<i>Net cash from operating activities</i>		<u>32 108 509</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Expenditure to maintain operating capacity		-
Fixed assets acquired		(696 436)
<i>Net deficit used in investing activities</i>		<u>(696 436)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Capital introduced		<u>1 000</u>
Increase in cash and cash equivalents		31 413 073
Cash and cash equivalents at beginning of period		-
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>31 413 073</u>

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THE NELSON MANDELA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTHS ENDED 28 FEBRUARY 2001

1. ACCOUNTING POLICIES

1.1 Date of incorporation

The Foundation was registered on 6 September 1999 and commenced activities on that date. These financial statements are prepared for the 18 months ended on 28 February 2001.

1.2 Basis of presentation

The financial statements are prepared on the historical cost basis.

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at cost. Depreciation on assets is calculated on a straight line basis over their estimated useful live as follows:

Computer equipment	3 years
Office equipment and furniture and fittings	6 years

1.4 Comparative figures

As this is the first period of reporting no comparative figures are reflected.

2. DONATIONS RECEIVED

As detailed per annexure "A"

2001
(18 Months)
R

37 980 739

3. OPERATING EXPENSES

As detailed per annexure "B"

6 697 248

4. NET FINANCE INCOME

Interest received
Short-term bank deposits
Bank

3 432 519

15 535

3 448 054

5. INCOME TAX

The foundation has, in terms of section 10(1)(cB) of the Income Tax Act, no 58 of 1962, applied for exemption from normal South African income tax.

THE NELSON MANDELA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer equipment R	Office equipment and furniture and fittings R	Total R
Opening balance at 6 September 1999	-	-	-
Additions	259 960	436 476	696 436
Disposals	-	-	-
Accumulated depreciation	259 960 (76 932)	436 476 (85 017)	696 436 (161 949)
Opening balance at 6 September 1999	-	-	-
Depreciation	76 932	85 017	161 949
	183 028	351 459	534 487

7. CASH AND CASH EQUIVALENTS

	2001 R
Bank balance	
Cash on hand	(208 669)
Short-term bank deposits	8 614
	31 613 128
	31 413 073

8. NOTES TO THE CASH FLOW STATEMENT

Cash utilised in operating activities	(18 Months)
Net income	31 731 186
Adjustments for:	
Depreciation	161 949
Interest paid	4 391
Interest received	(3 448 054)
Movements in working capital:	28 449 472
Increase in accounts receivable	(10 410)
Increase in accounts payable	225 784
	28 664 846

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THE NELSON MANDELA FOUNDATION
SCHEDULE OF DONATIONS RECEIVED
28 FEBRUARY 2001

	2001 (18 Months) R
Anglo American Plc	
Anonymous	400 000
Barlow Rand Limited	200 000
Bernard Jacobs Mellet Securities (Pty) Ltd	100 000
Chinese Republic	150 000
CLSA Global Emerging Markets	40 843
De Beers Consolidated Mines Ltd	1 000 000
Delloitte & Touche	400 000
Delta Corporation Limited	1 000 000
Devitt J	15 000
Embassy of Iran	150
Escom	1 665 568
First National Bank Ltd	750 000
Genesis Capital (Pty) Ltd	25 000
Herbert E Wetzel Wendella	150 000
ISIS Communication Ltd	1 925
Kenneth Cole Foundation	2 500 000
KPMG	68 378
Merrill Lynch SA (Pty) Ltd	500 000
Nathan Lion - Australia	1 000 000
National Civil Rights	413 907
Oppenheimer Family	753 750
Prince Banida's housekeeper	200 000
Richmont Finance SA Limited	29 440
Rowland J	859 063
S A Rugby Union	1 040 160
SA Fifa World Cup 2006 Bid company	1 000 000
SCT Public Switzerland	500 000
Simba (Pty) Ltd	17 783 666
South University - USA	100 000
Thatcher M	341 890
The Baker Institute	251 117
The Donald Gordon Foundation	58 880
The Japan Foundation	200 000
The Lions Club of SA	34 488
The United Cricket Board of SA	1 000
Unknown	1 000 000
Vodacom (Pty) Ltd	692 512
Winzer Wurth Industrial Limited	2 000 000
World Online - Amsterdam	506 500
Wyncom Inc	174 502
	73 000
TOTAL	37 980 739

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THE NELSON MANDELA FOUNDATION

SCHEDULE OF OPERATING EXPENSES FOR THE 18 MONTHS ENDED
28 FEBRUARY 2001

	2001 (18 Months) R
GENERAL EXPENSES	
Accounting fees	
Administration fees	375 728
Bank charges	468 246
Board meetings - venue and catering	5 225
Cleaning materials	837
Computer expenses	31 310
Consulting fees	74 193
Cutlery and crockery	85 025
Entertainment	12 369
Flowers	57 375
Freight and delivery	26 027
Functions	123 884
Gifts	1 603
Hire of equipment	481 217
Insurances	10 248
Interest paid	19 138
Legal expenses	4 391
Magazines, books and periodicals	170 232
Motor vehicle expenses	57 497
Postage	8 877
Printing and stationery	3 405
Property expenses	191 150
Refreshments	162 265
Regional Services Council levies	11 348
Repairs and maintenance	6 836
Security expenses	3 523
Skills development levies	8 922
Staff expenses	6 413
Subscriptions	59 403
Sundry expenses	3 567
Telephone and fax	3 224
Travelling costs	260 570
	3 963 200
TOTAL	6 697 248