

THE NELSON MANDELA FOUNDATION TRUST

(REGISTRATION NUMBER: IT 9259/99)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2002**

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(REGISTRATION NUMBER: IT 9259/99)

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CHAIRPERSON:

Prof Gert Johannes Gerwel

CHIEF EXECUTIVE OFFICER:

J Samuel

BENEFICIARIES:

Refer to paragraph 1 of the Trustees report

BUSINESS ADDRESS:

14 Central Street
HOUGHTON
2198

ACCOUNTANTS AND ADMINISTRATORS:

Ismail Ayob Management Services (Pty) Ltd
41 Central Street
Private Bag 2900
HOUGHTON
2041

BANKERS:

Nedbank Limited
JOHANNESBURG

JOINT AUDITORS:

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

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APPROVAL

The financial statement set out on pages 1 to 11 were considered by Ismail Ayob Management Services (Pty) Ltd on 15 March 2002 and recommended for approval by the Trustees on 27 March 2002.


CHAIRPERSON


TRUSTEE


ISMAIL AYOB MANAGEMENT
SERVICES (PTY) LTD



REPORT OF THE INDEPENDENT AUDITORS TO THE BENEFICIARIES AND TRUSTEES OF THE NELSON MANDELA FOUNDATION TRUST

We have audited the annual financial statements set out on pages 3 to 9 for the year ended 28 February 2002. 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 2002 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.



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

PRETORIA
15 March 2002



PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors

PRETORIA
15 March 2002

THE NELSON MANDELA FOUNDATION TRUST

BALANCE SHEET AT 28 FEBRUARY 2002

	Notes	2002 R	2001 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	1,408,720	534,487
Investment in wholly owned subsidiary	3	607,200 801,520	534,487 -
CURRENT ASSETS			
Cash and cash equivalents	4	34,302,222	31,628,012
Accounts receivable	5	32,677,764 1,624,458	31,621,742 6,270
TOTAL ASSETS		35,710,942	32,162,499
EQUITY AND LIABILITIES			
EQUITY			
Trust capital		26,821,056	31,732,186
Trust fund		1,000 26,820,056	1,000 31,731,186
CURRENT LIABILITIES			
Bank overdraft	4	8,889,886	430,313
Accounts payable		277,966	208,669
Sundry creditors		46,332	105,909
Deferred grant	6	101,472 8,464,116	115,735 -
TOTAL EQUITY AND LIABILITIES		35,710,942	32,162,499

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THE NELSON MANDELA FOUNDATION TRUST
STATEMENT OF CHANGES IN FUNDS FOR THE YEAR
ENDED 28 FEBRUARY 2002

	Trust capital R	Trust funds R	Total R
Trust capital donated	1,000	-	1,000
Retained funds for the period	-	31,731,186	31,731,186
Balance at 1 March 2001	<u>1,000</u>	<u>31,731,186</u>	<u>31,732,186</u>
Shortfall for the year	-	(4,911,130)	(4,911,130)
Balance at 28 February 2002	<u><u>1,000</u></u>	<u><u>26,820,056</u></u>	<u><u>26,821,056</u></u>

THE NELSON MANDELA FOUNDATION TRUST
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2002

	Notes	2002 R	2001 (18 Months) R
INCOME		2,810,495	37,980,739
Donations received	7	2,809,630	37,980,739
Sundry income		865	-
EXPENDITURE		(10,692,020)	(9,693,216)
Operating expenses	8	6,305,760	6,679,608
Salaries and wages		4,194,005	2,770,537
Auditors' remuneration			
Audit fees		17,699	81,122
Depreciation		174,556	161,949
Net (loss)/income before finance income		(7,881,525)	28,287,523
Finance income		2,976,503	3,448,054
General interest income		2,756,853	3,448,054
Winzur Wurth Project		173,880	-
Aids ID-UK Project		45,770	-
Interest expenses		(6,108)	(4,391)
Net (shortfall)/income for the year		(4,911,130)	31,731,186
Income tax	7	-	-
RETAINED (SHORTFALL)/FUNDS TRANSFERRED TO TRUST FUNDS		(4,911,130)	31,731,186

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THE NELSON MANDELA FOUNDATION TRUST
CASH FLOW STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2002

	Notes	2002 R	2001 (18 Months) R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilised in)/generated by operating activities	8	(934,881)	28,664,846
Interest received		2,976,503	3,448,054
Interest paid		(6,108)	(4,391)
Net cash from operating activities		<u>2,035,514</u>	<u>32,108,509</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Expenditure to maintain operating capacity		-	-
Investments made		(801,520)	
Fixed assets acquired		(247,269)	(696,436)
Net deficit used in investing activities		<u>(1,048,789)</u>	<u>(696,436)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Capital introduced		-	1,000
Increase in cash and cash equivalents for the year		<u>986,725</u>	<u>31,413,073</u>
Cash and cash equivalents at beginning of year		31,413,073	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>32,399,798</u></u>	<u><u>31,413,073</u></u>

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THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

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 year ended on 28 February 2002.

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 Recognition of income

Grants received are recorded on a cash received basis once the conditions of the grants have been met with. Interest received is accounted for on an accrual basis.

2. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment R	Office equipment and furniture and fittings R	Total R
Cost - 2001			
Opening balance at 6 September 1999	-	-	-
Additions	259,960	436,476	696,436
Disposals	-	-	-
	259,960	436,476	696,436
Accumulated depreciation	(76,932)	(85,017)	(161,949)
Opening balance at 6 September 1999	-	-	-
Depreciation	76,932	85,017	161,949
	183,028	351,459	534,487
Cost - 2002			
Opening balance at 28 February 2001	259,960	436,476	696,436
Additions	44,287	202,982	247,269
Disposals	-	-	-
	304,247	639,458	943,705
Accumulated depreciation	(169,304)	(167,201)	(336,505)
Opening balance at 28 February 2001	76,932	85,017	161,949
Depreciation	92,372	82,184	174,556
	134,943	472,257	607,200

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2002 R	2001 R
3. INVESTMENTS		
Investment in Avance Investment (Pty) Ltd (100 ordinary shares)	100	-
Loan to Avance Investment (Pty) Ltd	801,420	-
	<u>801,520</u>	<u>-</u>
4. CASH AND CASH EQUIVALENTS		
Bank overdraft	(277,966)	(208,669)
Bank balance	90,647	-
Cash on hand	5,000	8,614
Short-term bank deposits	32,582,117	31,613,128
	<u>32,677,764</u>	<u>31,621,742</u>
5. ACCOUNTS RECEIVABLE		
Prepaid expenses	1,617,295	6,270
Staff loans	7,163	-
	<u>1,624,458</u>	<u>6,270</u>
6. DEFERRED GRANTS		
American Federation of State County and Municipal Employees	570,110	-
Australian High Commission	413,565	-
Department of International Trade and Development (UK-ID)	4,280,441	-
Premier Ministry of France	3,000,000	-
The Donald Gordon Foundation	200,000	-
	<u>8,464,116</u>	<u>-</u>
7. 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 TRUST

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2002 R	2001 (18 Months) R
8. NOTES TO THE CASH FLOW STATEMENT		
Cash (utilised in)/generated by operating activities		
Net (shortfall)/income	(4,911,130)	31,731,186
Adjustments for:		
Depreciation	174,556	161,949
Interest paid	6,108	4,391
Interest received	(2,976,503)	(3,448,054)
	<u>(7,706,969)</u>	<u>28,449,472</u>
Movements in working capital:		
Increase in accounts receivable	(1,618,188)	(10,410)
Increase in accounts payable	8,390,276	225,784
	<u>(934,881)</u>	<u>28,664,846</u>
9. COMPARATIVE FIGURES		
The comparative figures is for an eighteen months period ending 28 February 2001.		
10. RETIREMENT BENEFITS		

As at 28 February 2002, 22 people were employed by the Nelson Mandela Foundation. The Nelson Mandela Foundation makes contributions to a defined contribution plan for some of the employees. The total contribution for the year amounted to R98 850. The Nelson Mandela Foundation has no further obligation to provide retirement benefits to its employees.