

THE NELSON MANDELA FOUNDATION TRUST

(REGISTRATION NUMBER: IT 9259/1999)

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2007**

CHAIRMAN:	Prof GJ Gerwel
CHIEF EXECUTIVE OFFICER:	AE Dangor
BUSINESS ADDRESS:	107 Central Street HOUGHTON 2198
FINANCIAL INSTITUTION:	Nedbank Limited JOHANNESBURG
AUDITORS:	PricewaterhouseCoopers Inc Registered Auditor GAUTENG

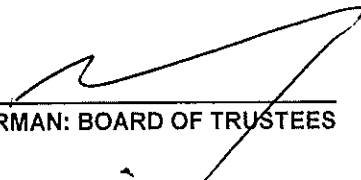
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APPROVAL

The annual financial statements set out on pages 2 to 19 were approved by the Board of Trustees and signed on their behalf by:



CHIEF EXECUTIVE OFFICER



CHAIRMAN: BOARD OF TRUSTEES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NELSON MANDELA FOUNDATION TRUST

We have audited the annual financial statements and group annual financial statements of the Nelson Mandela Foundation Trust, which comprise the trustees' report, the balance sheet and the consolidated balance sheet as at 28 February 2007, the income statement and the consolidated income statement, the statement of changes in funds and the consolidated statement of changes in funds, the cash flow statement and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 17.

Trustees' responsibility for the financial statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial statements 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the Trust to institute accounting controls over collections from donations prior to the 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 opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Foundation Trust and the group as of 28 February 2007 and their financial performance and their cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

Emphasis of matter

Without further qualifying the audit opinion above, attention is drawn to the following:

1. The Nelson Mandela Foundation Trust entered into an agreement with Penguin Books South Africa (Pty) Limited dated 24 April 2005 for the receipt of various types of income from the sale of a publication commissioned by the Founder. The agreement is however not clear on the ownership of the publication and consequently the legal title to the income in question. A Deed of Donation between the Founder and the Trust in which the Founder cedes all copyright and intellectual property rights was only signed on 20 March 2007. Due to the uncertainty of the entitlement of the Trust to this revenue, the income received during the year under review amounting to R284 488, has not been recognised as income but have been included in current liabilities.
2. The contents of paragraph 7 of the trustees report.
3. Avance Investment and Holding (Proprietary) Limited have not complied with the following sections of the Companies Act, 1973 (Act No 61 of 1973):
 - Section 179: The notice for and minutes for the 2005 and 2006 annual general meetings has not been prepared.
 - Section 204: Meetings (if any) of the company are not evidenced by minutes.
 - Section 240: A register of the directors' interest in contracts has not been maintained.
 - Section 242: Meetings (if any) of the board of directors are not evidenced by minutes.
 - Section 245: Attendance of board of directors meetings (if any) is not evidenced by an attendance register.
 - Section 286: The duty to lay the financial statements before an annual general meeting is not evidenced by means of appropriate minutes.
 - Section 59: Memorandum and Articles of Association not available at registered office.

Unaudited supplementary information

The supplementary information set out on pages 18 and 19 do not form part of the annual consolidated financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc
Director: N Ayob
Registered Auditor

PRETORIA
7 November 2007

THE NELSON MANDELA FOUNDATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2007

The trustees herewith present their report for the year ended 28 February 2007.

1. GENERAL OVERVIEW

The objective of the Trust 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. Furthermore, it is also the objective of the Trust to increase the level of education and to promote HIV awareness in South Africa. The business and operations of the trust and the group and the results thereof are clearly reflected in the attached consolidated financial statements.

2. STATEMENT 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 Trust and the group'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 has occurred during the year under review.

The financial statements have been prepared on the going concern basis. The trustees are assured that the Trust has adequate sources of funding to continue the work of the Founder and will secure sufficient donations to continue in operation for the foreseeable future.

3. TRUSTEES

The trustees in office during the year and up to the date of this report are as follows:

Trustee	Trustee
Fraser-Moleketi, G J	Masekela, B J M
Gerwel, G J	Mlambo-Ngcuka, P
Ginwala, F N	Motlana, N H
Haysom, N R L	Netshitenzhe, J K
Kathrada, A M	Ramaphosa, C M
Machel, G S*	Ramphele, M A
Maharaj, S R	Sexwale, T G
Mandela, M P	Sonn, AF
Mandela, N R	

*Mozambique nationality

The following co-trustees were appointed from 31 March 2005:

Asmal, A K	Menell, I
Liebenberg, C F	Msimang, M
Mabandla, B	Ndebele, N S
Ntsebeza, D B	Sangoni, C T
Sisulu, L N	

4. STRATEGIC CHANGE

Certain strategic and programmatic changes occurred during the year under review. A new business plan has been implemented during January 2007 with an emphasis on the Center of Memory and Dialogue whilst the programmatic work of the Foundation, such as health and education, will gradually be channelled through a range of strategic partners. The vision of the Foundation is about "telling stories of a continuing walk to freedom through the sharing of memory".

Other forms of revenue, like royalty income, will allow the Foundation to make this sharing of information possible.

THE NELSON MANDELA FOUNDATION TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
28 FEBRUARY 2007

5. POST BALANCE SHEET EVENTS

In terms of the strategic objectives of the Group, all resources and structures will be re-aligned to achieve the objectives of the Group and to maximize the utilisation of resources. The strategic change resulted in the Foundation being given the responsibility to safeguard certain artifacts and memorabilia of the Founder through a formal deed of donation agreement dated 20 March 2007. In order to share these artifacts, certain books are published and exhibitions erected in order to share this valuable material with other stakeholders.

6. HOLDING COMPANY

Avance Investment and Holding (Pty) Ltd is controlled by the Nelson Mandela Foundation Trust which owns 100% of the company's shares.

7. PRINCIPAL OPERATING ACTIVITIES OF THE SUBSIDIARY

The following matters of importance with regard to the property are in the process of being resolved:

7.1 Lease

In terms of the lease agreement, the lease will end:

- if the Nelson Mandela Foundation Trust ceases to exist;
- on the successful exercise of the option to purchase the property within two years and not less than two months before the expiry date of the lease; or
- on 30 November 2026 by effluxion of time.

7.2 Improvements

Erf 1889 and the portion of the remaining extent of erf 1890 Houghton Estate on which improvements have been constructed have not been consolidated, nor have they been notarially tied.

7.3 Other outstanding matters

- The rezoning of the land from public park to business rights.
- The formal approval of building plans by the Johannesburg Council.
- A certificate of occupation.
- A sublease between the company and The Nelson Mandela Foundation Trust has to be signed.
- Registration of the lease agreement signed between the City of Johannesburg Metropolitan Municipality and the company against the title deed of the property.
- The change of the domicilium address of the company in the lease.
- The change of the postal and registered office address of the company.

7.4 Director of subsidiary

Mr John Samuel resigned as director on 7 September 2006. Mr Achmed Ebrahim Dangor was appointed as director with effect from 7 September 2006.

7.5 Going concern

The company is dependent on the continued support of its holding entity.

THE NELSON MANDELA FOUNDATION TRUST

CONSOLIDATED BALANCE SHEET AT 28 FEBRUARY 2007

	Notes	Group		Trust	
		2007 R	2006 R	2007 R	2006 R
ASSETS					
NON-CURRENT ASSETS		14 773 186	14 691 022	15 686 198	16 683 136
Property, plant and equipment	2	14 762 378	14 679 646	1 149 140	2 146 078
Held to maturity investment		-	-	14 537 058	14 537 058
Prepaid rent for land		10 808	11 376	-	-
CURRENT ASSETS		76 171 663	78 299 794	76 136 444	78 264 575
Receivables and prepayments	3	852 795	3 825 671	852 795	3 825 671
Cash and cash equivalents	4	75 283 649	74 438 904	75 283 649	74 438 904
Prepaid rent		569	569	-	-
Deposit		34 650	34 650	-	-
TOTAL ASSETS		90 944 849	92 990 816	91 822 642	94 947 711
EQUITY AND LIABILITIES					
EQUITY		50 068 797	67 110 719	50 946 590	69 067 614
Equity		1 000	1 000	1 000	1 000
Accumulated funds		50 067 797	67 109 719	50 945 590	69 066 614
CURRENT LIABILITIES		40 876 052	25 880 097	40 876 052	25 880 097
Trade and other payables	5	1 701 501	3 751 515	1 701 501	3 751 515
Deferred grants	6	39 174 551	22 128 582	39 174 551	22 128 582
TOTAL EQUITY AND LIABILITIES		90 944 849	92 990 816	91 822 642	94 947 711

THE NELSON MANDELA FOUNDATION TRUST

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2007

	Notes	Group		Trust	
		2007 R	2006 R	2007 R	2006 R
INCOME		25 016 869	50 161 982	23 642 742	50 161 982
Grants received:		23 478 607	49 813 183	23 478 607	49 813 183
Designated grants		20 383 174	30 451 736	20 383 174	30 451 736
Other donations		3 095 433	19 361 447	3 095 433	19 361 447
Profit on disposal of fixed assets		18 901	20 117	18 901	20 117
Other income		1 519 361	328 682	145 234	328 682
EXPENDITURE		(45 002 204)	(51 297 655)	(44 707 179)	(49 635 686)
Operating expenses		17 128 164	18 096 713	16 833 139	16 434 744
Project expenses	7	27 874 040	33 200 942	27 874 040	33 200 942
Net (deficit)/surplus before finance income	8	(19 985 335)	(1 135 673)	(21 064 437)	526 296
Interest received		2 943 413	2 829 921	2 943 413	2 829 921
Total interest received		4 891 102	4 476 538	4 891 102	4 476 538
Less: Interest allocated to designated funds		(1 947 689)	(1 646 617)	(1 947 689)	(1 646 617)
NET (DEFICIT)/SURPLUS FOR THE YEAR		(17 041 922)	1 694 248	(18 121 024)	3 356 217

THE NELSON MANDELA FOUNDATION TRUST

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 28 FEBRUARY 2007

	Equity R	Accumulated funds R	Total R
Balance as at 1 March 2005	1 000	65 415 471	65 416 471
Net surplus for the year	-	1 694 248	1 694 248
Balance at 1 March 2006	1 000	67 109 719	67 110 719
Net deficit for the year	-	(17 041 922)	(17 041 922)
Balance at 28 February 2007	1 000	50 067 797	50 068 797
TRUST			
Balance as at 1 March 2005	1 000	65 710 397	65 711 397
Net surplus for the year	-	3 356 217	3 356 217
Balance at 1 March 2006	1 000	69 066 614	69 067 614
Net surplus for the year	-	(18 121 024)	(18 121 024)
Balance at 28 February 2007	1 000	50 945 590	50 946 590

THE NELSON MANDELA FOUNDATION TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2007

		Group		Trust	
	Note	2007 R	2006 R	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES					
Cash utilised in operating activities	10	(1 929 413)	(5 033 660)	(1 928 844)	(5 033 091)
Interest received		2 943 413	2 829 921	2 943 413	2 829 921
Net cash inflow/(outflow) from operating activities		1 014 000	(2 203 739)	1 014 569	(2 203 170)
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed assets		58 199	45 063	58 199	45 063
Fixed assets acquired		(228 023)	(235 078)	(228 023)	(235 078)
Decrease in prepaid rent for land		569	569	-	-
Net cash outflow from investing activities		(169 255)	(189 446)	(169 824)	(190 015)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		844 745	(2 393 185)	844 745	(2 393 185)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		74 438 905	76 832 089	74 438 905	76 832 090
CASH AND CASH EQUIVALENTS AT END OF THE YEAR					
		75 283 650	74 438 904	75 283 650	74 438 905

THE NELSON MANDELA FOUNDATION TRUST

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 28 FEBRUARY 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the principal accounting policies adopted in the preparation of the consolidated financial statements of The Nelson Mandela Foundation Group. These policies have been consistently applied.

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP). These financial statements have been prepared under the historical cost convention.

The consolidated financial statements are prepared on the going concern basis.

The preparation of the consolidated financial statements in conformity with SA GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but which the Group has not early adopted, as follows:

Amendments to published standards effective in 2006:

- IAS 19 (Amendment), Employee Benefits (effective from 1 January 2006). This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It is however not applicable to the Group as they do not provide employee benefits.

Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations:

- IAS 21 (Amendment), Net investment in a foreign operation.
- IAS 39 (Amendment), Cash flow hedge accounting of forecast intragroup transactions.
- IAS 39 (Amendment), The fair value option.
- IAS 39 and IFRS 4 (Amendment), Financial guarantee contracts.
- IFRIC 4, Determining whether an arrangement contains a lease.

Standards not yet effective and not early adopted by the Group:

- IFRS 7, Financial Instruments: Disclosures, and complementary amendment to IAS 1, Presentation of Financial Statement – Capital Disclosures (effective from 1 January 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Trust assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that no additional disclosures will be required by the amendment of IAS 1.

1.2 Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

THE NELSON MANDELA FOUNDATION TRUST

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2007

1.3 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost item can be measured reliably. All other repairs and maintenance are recognised in the income statement in the year it is incurred. Depreciation on assets is calculated using the straight-line method to write down the cost to their residual values over their estimated useful lives, as follows:

Building	50 years, with no residual value
Computer equipment	3 years, with no residual value
Computer software	2 years, with no residual value
Office equipment, furniture and fittings	6 years, with no residual value
Vehicles	5 years, with no residual value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of assets are determined by comparing proceeds with the carrying amounts. Gains and losses are included in the income statement in the year they occur. Repairs and maintenance are charged to expenses during the financial year it is incurred.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised.

1.5 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.6 Investments

Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

1.7 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

THE NELSON MANDELA FOUNDATION TRUST
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 28 FEBRUARY 2007

1.8 Cash and cash equivalents

Cash and cash equivalents are initially recognised at cost. Subsequently the cash and cash equivalents are measured at amortised cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks and net of bank overdrafts.

1.9 Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.10 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.11 Foreign currency transactions

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any foreign exchange differences are dealt with in the income statement in the year in which the difference occurs.

1.12 Recognition of income

Grants received are recorded as income once the conditions of the grants have been met. General (undesignated) donations are recorded as income when cash is received. Interest received is accounted for on an accrual basis and excludes that portion which relates to designated funds. Interest received on designated funds depend on the timing and extent of expenditure on the projects. Royalty income is accounted for on an accrual basis.

1.13 Retirement benefits

The Group's contributions to the defined contribution plan are charged to the income statement in the year to which it relates.

1.14 Offset

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

1.15 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Depreciation

During each financial year, management reviews the assets within property, plant and equipment to assess whether the useful lives and residual values applicable to each asset are appropriate.

1.16 Contingent liabilities

Contingent liabilities are disclosed when the Group has a possible obligation that arose from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

2. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings	Motor vehicle	Computer equipment	Office equipment, furniture and fittings	Total
	R	R	R	R	R
Group					
Cost - 2007					
Opening balance at 1 March 2006	14 722 802	151 200	3 891 260	2 943 033	21 708 295
Additions	-	-	155 590	72 433	228 023
Disposals	-	(151 200)	-	(91 855)	(243 055)
	14 722 802	-	4 046 850	2 923 611	21 693 263
Less: Provision for impairment	(1 374 126)	-	-	-	(1 374 126)
Less: Accumulated depreciation	(1 109 564)	-	(3 893 221)	(1 928 100)	(6 930 885)
Opening balance at 1 March 2006	(815 108)	(118 440)	(3 182 684)	(1 538 261)	(5 654 493)
Depreciation:					
Current year	(294 456)	(5 054)	(710 537)	(470 102)	(1 480 149)
Disposals	-	123 494	-	80 263	203 757
Impairment loss reversal	1 374 126	-	-	-	1 374 126
	12 239 112	-	153 629	995 511	14 762 378
Cost - 2006					
Opening balance at 1 March 2005	14 722 802	151 200	4 107 024	2 799 102	21 780 128
Additions	-	-	13 370	221 708	235 078
Disposals	-	-	(229 134)	(77 807)	(306 941)
	14 722 802	151 200	3 891 260	2 943 003	21 708 265
Less: Accumulated depreciation	(815 108)	(118 440)	(3 182 684)	(1 538 261)	(5 654 493)
Opening balance at 1 March 2005	(527 834)	(88 200)	(2 342 790)	(1 175 822)	(4 134 646)
Depreciation:					
Current year	(287 274)	(30 240)	(1 053 837)	(430 492)	(1 801 843)
Disposals	-	-	213 943	68 053	281 996
Less: Provision for impairment	(1 374 126)	-	-	-	(1 374 126)
	12 533 568	32 760	708 576	1 404 742	14 679 646

The property was valued at R17,7 million on 7 May 2007 by Van Zyl Valuers, an independent professional valuer, using the income capitalisation approach. The remaining useful life is estimated to be 47 years. The building cannot be sold without the approval of the shareholder.

Land, held by a 25 year lease that will end on 31 January 2027, comprises Erf 1889 Houghton Estate, IR, approximately 6821 square metres in extent and Portion of the remaining extent of Erf 1890 Houghton Estate, IR, approximately 6 559 square metres in extent, excluding the off-ramp to the M1 Freeway. The land is leased from the City of Johannesburg Metropolitan Council by the company for a period of 25 years, commencing on 1 February 2002. The lease will end on 31 January 2027. The lessee has been given an option to acquire the land from the 23rd year for an amount of R1 000. The option, if not exercised, will lapse on 30 November 2026.

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

	Motor vehicle	Computer equipment	Office equipment, furniture and fittings	Total
	R	R	R	R
Trust				
Cost - 2007				
Opening balance at 1 March 2006	151 200	3 891 260	2 943 033	6 985 493
Additions	-	155 590	72 433	228 023
Disposals	(151 200)	-	(91 855)	(243 055)
	-	4 046 850	2 923 611	6 970 461
Accumulated depreciation	-	(3 893 221)	(1 928 100)	(5 821 321)
Opening balance at 1 March 2006	(118 440)	(3 182 684)	(1 538 261)	(4 839 385)
Depreciation:				
Current year	(5 054)	(710 537)	(470 102)	(1 185 693)
Disposals	123 494	-	80 263	203 757
	-	153 629	995 511	1 149 140
Cost - 2006				
Opening balance at 1 March 2005	151 200	4 107 024	2 799 102	7 057 326
Additions	-	13 370	221 708	235 078
Disposals	-	(229 134)	(77 807)	(306 941)
	151 200	3 891 260	2 943 003	6 985 463
Accumulated depreciation	(118 440)	(3 182 684)	(1 538 261)	(4 839 385)
Opening balance at 1 March 2005	(88 200)	(2 342 790)	(1 175 822)	(3 606 812)
Depreciation:				
Current year	(30 240)	(1 053 837)	(430 492)	(1 514 569)
Disposals	-	213 943	68 053	281 996
	32 760	708 576	1 404 742	2 146 078

Group		Trust	
2007	2006	2007	2006
R	R	R	R
Prepaid expenses	43 111	-	43 111
Recoverable advances and other receivables	86 342	389 980	86 342
Staff advances	12 303	18 699	12 303
South African Revenue Services - Value Added Tax	711 039	3 416 992	711 039
	852 795	3 825 671	852 795

3. RECEIVABLES AND PREPAYMENTS

Prepaid expenses	43 111	-	43 111	-
Recoverable advances and other receivables	86 342	389 980	86 342	389 980
Staff advances	12 303	18 699	12 303	18 699
South African Revenue Services - Value Added Tax	711 039	3 416 992	711 039	3 416 992
	852 795	3 825 671	852 795	3 825 671

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

	Group		Trust	
	2007	2006	2007	2006
	R	R	R	R
4. CASH AND CASH EQUIVALENTS				
Bank balances	193 212	836 638	193 212	836 638
Cash on hand	5 000	5 000	5 000	5 000
Short-term bank deposits:				
- Designated funds	36 402 187	18 915 000	36 402 187	18 915 000
- Trust funds	2 772 363	3 213 581	2 772 363	3 213 581
- Other funds	35 910 887	51 468 685	35 910 887	51 468 685
	<u>75 283 649</u>	<u>74 438 904</u>	<u>75 283 649</u>	<u>74 438 904</u>
The average return on these investments were 6,5% (2006: 6%).				
5. TRADE AND OTHER PAYABLES				
Accruals	1 417 013	3 751 515	1 417 013	3 751 515
Sundry creditor	284 488	-	284 488	-
	<u>1 701 501</u>	<u>3 751 515</u>	<u>1 701 501</u>	<u>3 751 515</u>
6. DEFERRED GRANTS				
Opening balance	22 128 582	30 003 574	22 128 582	30 003 574
Grants allocated to designated funds	36 890 736	20 977 934	36 890 736	20 977 934
Refunds to donors	(2 016 681)	(665 254)	(2 016 681)	(665 254)
Interest and VAT refunds allocated to designated funds	2 555 088	2 264 064	2 555 088	2 264 064
Deferred grants recognised	(20 383 174)	(30 451 736)	(20 383 174)	(30 451 736)
Closing balance	<u>39 174 551</u>	<u>22 128 582</u>	<u>39 174 551</u>	<u>22 128 582</u>
The closing balance consists of:				
Deferred income for the Trust	37 603 163	18 915 001	37 603 163	18 915 001
Funds held on behalf of third parties	1 571 388	3 213 581	1 571 388	3 213 581
	<u>39 174 551</u>	<u>22 128 582</u>	<u>39 174 551</u>	<u>22 128 582</u>

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

	Group		Trust	
	2007 R	2006 R	2007 R	2006 R
7. PROJECT EXPENSES				
Centre of memory	6 157 407	3 359 707	6 157 407	3 359 707
Education	6 430 539	6 123 921	6 430 539	6 123 921
Health	12 841 063	13 034 452	12 841 063	13 034 452
Learning and innovation	-	713 850	-	713 850
Dialogue and Leadership Series	2 445 031	2 404 506	2 445 031	2 404 506
Social Giving and Volunteering	-	197 391	-	197 391
Youth and Family Development Centre (Mitchells Plain)	-	7 367 115	-	7 367 115
	<u>27 874 040</u>	<u>33 200 942</u>	<u>27 874 040</u>	<u>33 200 942</u>

Refer to Annexure B for a detailed analysis of project expenses by nature.

8. EXPENSES BY NATURE

Depreciation	1 480 149	1 801 843	1 185 693	1 514 569
Rental of equipment	101 727	415 306	101 727	415 306
Rental of land	569	569	-	-
Legal expenses	61 853	2 540	61 853	2 540
Professional fee	1 065 692	155 803	1 065 692	155 803
Repairs and maintenance	850 299	203 655	850 299	203 655
Audit fees	763 572	453 249	763 572	453 249
Personnel remuneration	11 599 590	11 674 016	11 599 590	11 674 016
Operating leases	17 129	-	17 129	-
Impairment loss on building	-	1 374 126	-	-

9. INCOME TAX

In terms of section 10(1)(cN) of the South African Normal Income Tax Act, 1962 (Act No 58 of 1962) the Trust is exempt from normal income tax.

10. NOTES TO THE CASH FLOW STATEMENT

Cash utilised in operating activities

Net (deficit)/surplus	(17 041 922)	1 694 248	(18 121 024)	3 356 217
Adjustments for:				
Depreciation	1 480 149	1 801 844	1 185 693	1 514 569
Interest received	(2 943 413)	(2 829 921)	(2 943 413)	(2 829 921)
Impairment loss on building	(1 374 125)	1 374 125	-	-
Profit on disposal of fixed assets	(18 901)	(20 117)	(18 901)	(20 117)
	<u>(19 898 212)</u>	<u>2 020 179</u>	<u>(19 897 645)</u>	<u>2 020 748</u>
Movements in working capital:				
Decrease/(increase) in accounts receivable	2 972 846	(192 466)	2 972 846	(192 465)
Increase/(decrease) in payables and deferred grants	14 995 953	(6 861 373)	14 995 955	(6 861 373)
	<u>(1 929 413)</u>	<u>(5 033 660)</u>	<u>(1 928 844)</u>	<u>(5 033 091)</u>

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

11. RELATED PARTY TRANSACTIONS

The following transactions were incurred with related parties:

Related party	Relationship	Nature of transaction	2007 R	2006 R
1. Nelson Mandela Children's Fund	Related to Founder	Donation	2 181 190	-
2. Mandela Rhodes Foundation	Related to Founder	Reimbursement of expenditure and sale of assets	44 206	-
3. Machel Family	Relative of Founder	Sundry debtor (repaid after year-end)	-	252 217
4. Nelson Mandela Family	Relative of Founder	Sundry debtor (repaid after year-end)	64 787	125 299
5. Former Chief Executive Officer	Key senior management	Sundry debtor	-	15 872
6. Senior management	Key senior management	Remuneration	3 476 758	2 145 680
7. 46664 Association Incorporated in terms of Section 21	Intergroup company	Sundry debtor	12 426	17 864 758
8. UK Legacy Trust	Sister Organisation	Advance	4 000 000	-

12. RETIREMENT BENEFITS

As at 28 February 2007, 32 people were employed by the Group. The Group contributes to a defined contribution plan for some of the employees. The total contribution for the year amounted to R1 049 231 (2006 - R1 086 634). The Group has no further obligation to provide retirement benefits to its employees.

13. COMMITMENTS

	Payable not later than 1 year R	Payable later than 1 year R	Total payable R
13.1 Spartan Computers	53 500	142 668	196 168
13.2 Tshepang Trust	40 334	-	40 334
13.3 Nelson Mandela Institute for Rural Education	3 373 585	-	3 373 585
13.4 ES Venter	104 215	-	104 215
Total commitments	3 571 634	142 668	3 714 302

These commitments will be funded by deferred grants and income generated in the normal course of business. The commitment date for the Nelson Mandela Institute for Rural Education has not yet been formalised.

THE NELSON MANDELA FOUNDATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

	2007 R	2006 R
14. OPERATING LEASE COMMITMENTS		
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
Not later than one year	68 515	-
Later than one year and not later than five years	256 932	-
	<u>325 447</u>	<u>-</u>

15. FINANCIAL INSTRUMENTS

Exposure to foreign exchange risk and credit risk arises in the normal course of the Group's business. The Group does not use derivative financial instruments as a means of reducing exposure to fluctuations in foreign exchange rates.

Currency risk

The Group incurs foreign exchange risk as a result of donations in foreign currencies. The currency in which the Group primarily deals is the US dollar and the UK pound.

Credit risk management

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and outstanding receivables. The Group only deal with reputable financial institutions.

16. SUBSEQUENT EVENTS

There have been no facts or circumstances of a material nature that occurred between the accounting date and the date of this report.

THE NELSON MANDELA FOUNDATION TRUST
SCHEDULE OF GRANTS RECEIVED FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY
2007

	Amount received	Amount recognised - transfer from deferred grants	Unexpended grants - Transferred to deferred grants	Net grants recognised
	R	R	R	R
DESIGNATED	10 687 493	9 385 247	10 687 493	9 385 247
DESIGNATED TO HEALTH AND EDUCATION				
Better World Funds - Education	-	711 697	-	711 697
Multichoice	-	385 167	-	385 167
Microsoft SA	79 575	-	79 575	-
Vodacom Group (Pty) Ltd	-	2 906 160	-	2 906 160
EMB Finland	-	3 000	-	3 000
High Commission for India	-	666 094	-	666 094
Primedia Limited	-	1 398 264	-	1 398 264
Friends of Nelson Mandela Foundation (US)	8 301 000	-	8 301 000	-
General Health Funds	1 698	34 979	1 698	34 979
French Health	-	3 023 004	-	3 023 004
GSK Mankahlana	-	112 621	-	112 621
Cell C	-	296 199	-	296 199
Daniel Lenihan	-	6 577	-	6 577
Cosgrave Developments	-	3 198	-	3 198
Wingate	-	-	-	-
Macsteel Holdings	-	61 417	-	61 417
Radisson SAS	-	444 209	-	444 209
Embassy of Jordan	-	354 494	-	354 494
UNICEF	-	1 396 110	-	1 396 110
Australian High Commission	-	413 125	-	413 125
ICAP South Africa	-	92 074	-	92 074
Donald Gordon	-	208 800	-	208 800
General Education	5 192	30 855	5 192	30 855
Consulate of Monaco	431 705	170 471	431 705	170 471
Swordspoint	1 504 880	1 411 523	1 504 880	1 411 523
Hasso Plattner	-	(5 234 223)	-	(5 234 223)
Virgin Atlantic	-	49 479	-	49 479
DFID	-	218 332	-	218 332
Merck	363 444	221 619	363 444	221 619
DESIGNATED TO LEARNING AND INNOVATION	-	29 976	-	29 976
Rockefeller Foundation	-	29 976	-	29 976
DESIGNATED TO CENTRE OF MEMORY	26 203 243	9 566 868	26 203 243	9 566 868
Ford Foundation	-	1 209 940	-	1 209 940
SAP Africa	1 000 000	1 338 540	1 000 000	1 338 540
Sasol Limited	1 000 000	1 001 551	1 000 000	1 001 551
Legacy UK	4 000 000	3 061 982	4 000 000	3 061 982
Comic 5	441 985	443 110	441 985	443 110
Comic 6	741 985	753 555	741 985	753 555
Friends II PPE	1 169 575	-	1 169 575	-
Friends II	1 510 196	-	1 510 196	-
Friends II	15 000 000	-	15 000 000	-
Comic 7	-	(18 099)	-	(18 099)
Centre of Memory and Commemoration	-	-	-	-
Ford Foundation	707 408	324 000	707 408	324 000
Anglo Operations Limited	-	26 664	-	26 664
Oppenheimer & Son	632 095	661 332	632 095	661 332
BHP Billiton Development Trust	-	764 292	-	764 292
DESIGNATED TO SOCIAL GIVING AND VOLUNTEERISM	-	819 906	-	819 906
Social Giving and Volunteerism	-	37 899	-	37 899
Pndamase	-	132	-	132
American AFL-CIO	-	781 875	-	781 875
DESIGNATED TO OTHER PROJECTS	-	581 177	-	581 177
Ngubezulu School	-	26 316	-	26 316
BP South Africa - Mitchells Plain	-	554 861	-	554 861
SUBTOTAL	36 890 736	20 383 174	36 890 736	20 383 174
OTHER (UNDESIGNATED)	3 095 433	-	-	3 095 433
General funds	4 829 845	-	-	4 829 845
46664 Concert Campaign	(1 734 412)	-	-	(1 734 412)
	39 986 169	20 383 174	36 890 736	23 478 607

THE NELSON MANDELA FOUNDATION TRUST

CONSOLIDATED SCHEDULE OF TOTAL EXPENSES FOR THE YEAR ENDED
28 FEBRUARY 2007

	Operating expenses 2007 R	Operating expenses 2006 R	Project expenses 2007 R	Project expenses 2006 R	Total expenses 2007 R	Total expenses 2006 R
Advertising and marketing	36 873	252 420	294 231	1 390 964	331 104	1 643 384
Audit fee (Note 1)	763 572	453 249	-	-	763 572	453 249
Bank charges	4 938	5 038	-	-	4 938	5 038
Building and research costs	-	-	-	1 446 750	-	1 446 750
Courier and postage	40 685	-	34 653	71 113	75 338	71 113
Depreciation	1 480 149	1 801 843	-	-	1 480 149	1 801 843
Implementing agent	585 735	213 801	23 161 071	26 808 846	23 746 806	27 022 647
Impairment loss on building	-	1 374 129	-	-	-	1 374 129
Insurance	40 874	169 611	163 496	-	204 370	169 611
Legal fees	55 630	2 540	6 223	-	61 853	2 540
Office expenditure	82 389	221 916	98 976	145 547	181 365	367 463
Operating leases	17 129	-	-	-	17 129	-
Penalty - VAT	12 423	-	-	-	12 423	-
Personnel remuneration	11 599 590	11 674 016	-	-	11 599 590	11 674 016
Printing and stationery	50 413	72 896	109 467	131 426	159 880	204 322
Publications and subscriptions	16 641	4 556	66 820	250 094	83 461	254 650
Rates and taxes	20 443	138 454	80 487	47 607	100 930	186 061
Rental of equipment	41 401	34 610	60 326	380 696	101 727	415 306
Rental of land	569	569	-	-	569	569
Repairs and maintenance	171 547	175 787	678 752	27 868	850 299	203 655
Telephone and communication	410 458	578 546	411 381	940 891	821 839	1 519 437
Travel and accommodation	1 280 393	871 605	784 596	383 141	2 064 989	1 254 746
Workshops and meetings	416 312	51 127	1 923 561	1 175 999	2 339 873	1 227 126
Total	17 128 164	18 096 713	27 874 040	33 200 942	45 002 204	51 297 655

NOTE 1: Audit fees relating to the projects amount to R201 651.