

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY
(REGISTRATION NUMBER: IT 9259/1999)**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

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
COUNTRY OF INCORPORATION:	South Africa

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**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**STATEMENT OF RESPONSIBILITY OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29 FEBRUARY 2008**

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

The trustees are also responsible for the trust'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 consolidated 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.

APPROVAL

The annual consolidated financial statements set out on pages 4 to 27 were approved by the Board of Trustees on 26 August 2008 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
AND ITS SUBSIDIARY**

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 29 February 2008, 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 4 to 23.

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 group 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

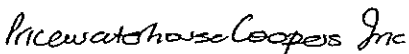
In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Foundation Trust and the group as of 29 February 2008 and their financial 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 contents of paragraph 6 of the trustees' report.

Unaudited supplementary information

The supplementary information set out on pages 24 to 27 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
Director: N Ayob
Registered Auditor

PRETORIA
5 November 2008

THE NELSON MANDELA FOUNDATION TRUST AND ITS SUBSIDIARY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 29 FEBRUARY 2008

The trustees herewith present their report for the year ended 29 February 2008.

1. GENERAL OVERVIEW

In terms of the current effective Trust Deed, 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 promote HIV awareness in South Africa. A new business plan was approved and implemented in January 2007, which is discussed in paragraph 3 below. The business and operations of the Trust and the results thereof are clearly reflected in the attached financial statements.

2. TRUSTEES

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

Trustee

Fraser-Moleketi, G J (resigned on 12 March 2007)
Gerwel, G J
Ginwala, F N (resigned on 30 April 2007)
Haysom, N R L (resigned on 12 March 2007)
Kathrada, A M
Machel, G S* (resigned on 12 March 2007)
Maharaj, S R (resigned on 12 March 2007)
Mandela, M P (resigned on 12 March 2007)
Mandela, N R (The Founder)

*Mozambique nationality

Trustee

Masekela, B J M (resigned on 12 March 2007)
Mlambo-Ngcuka, P (resigned on 12 March 2007)
Mollana, N H
Netshitenzhe, J K (resigned on 12 March 2007)
Ramaphosa, C M (resigned on 12 March 2007)
Ramphela, M A
Sexwale, T G
Sonn, F A (resigned on 12 March 2007)

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

Asmal, A K (resigned on 12 March 2007)
Liebenberg, C F
Mabandla, B (resigned on 26 April 2007)
Ntsebeza, D B (resigned on 12 March 2007)
Sisulu, L N (resigned on 12 March 2007)

Menell, I
Msimang, M (resigned on 12 March 2007)
Ndebele, N S
Sangoni, C T (resigned on 12 March 2007)

The indicated resignations of the above trustees are in the process of being lodged with the Master's Office.

3. STRATEGIC CHANGE

A new business plan was implemented during January 2007 with an emphasis on the Center of Memory and Dialogue whilst the programme work of the trust, such as health and education, will gradually be channelled through a range of strategic partners. The vision of the trust is about "telling stories of a continuing walk to freedom through the sharing of memory". The trust Deed is in the process of being amended to incorporate the strategic change.

The strategic change resulted in the trust being given the responsibility to safeguard certain artefacts and memorabilia of the Founder through a formal deed of donation agreement dated 20 March 2007. Certain books are published and exhibitions hosted in order to share this valuable material with the public.

During the current financial year, the trust purchased the house previously occupied by the Founder as disclosed in note 2. This property will be renovated and transformed to a fellowship centre in future financial years. The renovations and other improvements will be funded from general donations.

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED
29 FEBRUARY 2008**

4. SUBSEQUENT EVENTS

No material matters or circumstance have occurred between the date of the balance sheet and the date of approval of the financial statements.

5. SUBSIDIARY

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

6. PRINCIPAL OPERATING ACTIVITIES OF THE SUBSIDIARY

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

6.1 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.

6.2 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.

6.3 Other outstanding matters from the previous financial year

- 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.

6.4 Director of subsidiary

Mr Achmed Ebrahim Dangor was appointed as director with effect from 7 September 2006.

6.5 Going concern

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

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

CONSOLIDATED BALANCE SHEET AT 29 FEBRUARY 2008

		Group		Trust	
	Notes	2008 R	Restated 2007 R	2008 R	Restated 2007 R
ASSETS					
NON-CURRENT ASSETS		18 211 768	15 392 725	19 419 805	16 305 737
Property, plant and equipment	2	18 201 529	15 381 917	4 882 747	1 768 679
Held to maturity investment		-	-	14 537 058	14 537 058
Prepaid rent for land		10 239	10 808	-	-
CURRENT ASSETS		103 391 362	76 171 663	103 356 143	76 136 444
Receivables and prepayments	3	1 221 509	852 795	1 221 509	852 795
Cash and cash equivalents	4	102 134 634	75 283 649	102 134 634	75 283 649
Prepaid rent		569	569	-	-
Deposit		34 650	34 650	-	-
TOTAL ASSETS		121 603 130	91 564 388	122 775 948	92 442 181
EQUITY AND LIABILITIES					
EQUITY		66 711 452	47 362 196	67 884 270	48 239 989
Contribution		1 000	1 000	1 000	1 000
Accumulated funds		66 710 452	47 361 196	67 883 270	48 238 989
Finance lease liabilities	5	278 706	490 703	278 706	490 703
CURRENT LIABILITIES		54 612 972	43 711 489	54 612 972	43 711 489
Trade and other payables	6	6 031 792	4 536 938	6 031 792	4 536 938
Deferred grants	7	48 581 180	39 174 551	48 581 180	39 174 551
TOTAL EQUITY AND LIABILITIES		121 603 130	91 564 388	122 775 948	92 442 181

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2008**

	Notes	Group		Trust	
		2008 R	Restated 2007 R	2008 R	Restated 2007 R
INCOME		54 705 694	25 122 979	54 705 694	23 748 852
Grants received:		53 207 014	23 478 607	53 207 014	23 478 607
Designated grants		30 349 253	20 383 174	30 349 253	20 383 174
Other donations		22 857 761	3 095 433	22 857 761	3 095 433
Donation of royalty income		915 505	-	915 505	-
Donations in kind	8	518 810	106 110	518 810	106 110
Other income		64 365	1 538 262	64 365	164 135
EXPENDITURE		(38 470 657)	(46 551 971)	(38 175 632)	(46 256 946)
Operating expenses		20 717 920	18 738 257	20 422 895	18 443 232
Project expenses	9	17 752 737	27 813 714	17 752 737	27 813 714
Net surplus/(deficit) before finance income	10	16 235 037	(21 428 992)	16 530 062	(22 508 094)
Finance income		3 207 427	2 943 413	3 207 427	2 943 413
Total finance income		7 068 872	4 891 102	7 068 872	4 891 102
Less: Interest allocated to designated funds		(3 861 445)	(1 947 689)	(3 861 445)	(1 947 689)
Finance cost	11	(93 208)	(37 175)	(93 208)	(37 175)
NET SURPLUS/(DEFICIT) FOR THE YEAR		19 349 256	(18 522 754)	19 644 281	(19 601 856)

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR
ENDED 29 FEBRUARY 2008**

Group	Notes	Contribution R	Accumulated funds R	Total R
Balance as at 1 March 2006		1 000	65 883 950	65 884 950
Opening balance - accumulated funds - as previously stated	20	-	67 109 719	67 109 719
Prior year adjustment		-	(1 225 769)	(1 225 769)
Net deficit for the year		-	(18 522 754)	(18 522 754)
Opening balance - accumulated funds - as previously stated	20	-	(17 041 922)	(17 041 922)
Prior year adjustment		-	(1 480 832)	(1 480 832)
Balance at 1 March 2007		1 000	47 361 196	47 362 196
Net surplus for the year		-	19 349 256	19 349 256
Balance at 29 February 2008		1 000	66 710 452	66 711 452
Trust				
Balance as at 1 March 2006		1 000	67 840 845	67 841 845
Opening balance - accumulated funds - as previously stated		-	69 066 614	69 066 614
Prior year adjustment		-	(1 225 769)	(1 225 769)
Net deficit for the year		-	(19 601 856)	(19 601 856)
Net deficit for the year - as previously stated		-	(18 121 024)	(18 121 024)
Prior year adjustment		-	(1 480 832)	(1 480 832)
Balance at 1 March 2007		1 000	48 238 989	48 239 989
Net surplus for the year		-	19 644 281	19 644 281
Balance at 29 February 2008		1 000	67 883 270	67 884 270

**THE NELSON MANDELA FOUNDATION TRUST
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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
29 FEBRUARY 2008**

		Group		Trust	
		2008	Restated	2008	Restated
	Note	R	2007	R	2007
			R		R
CASH FLOW FROM OPERATING ACTIVITIES					
Cash generated from/(utilised in) operating activities	13	27 960 412	(1 623 686)	27 960 412	(1 623 686)
Finance income		3 207 427	2 943 413	3 207 427	2 943 413
Finance cost		(93 208)	(37 175)	(93 208)	(37 175)
<i>Net cash inflow from operating activities</i>		<u>31 074 631</u>	<u>1 282 552</u>	<u>31 074 631</u>	<u>1 282 552</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed assets		5 000	58 199	5 000	58 199
Fixed assets acquired		(4 016 648)	(765 999)	(4 016 648)	(765 999)
<i>Net cash outflow from investing activities</i>		<u>(4 011 648)</u>	<u>(707 800)</u>	<u>(4 011 648)</u>	<u>(707 800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/increase in finance lease liabilities		(211 998)	269 993	(211 998)	269 993
<i>Net cash (outflow)/inflow from financing activities</i>		<u>(211 998)</u>	<u>269 993</u>	<u>(211 998)</u>	<u>269 993</u>
INCREASE IN CASH AND CASH EQUIVALENTS		26 850 985	844 745	26 850 985	844 745
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		75 283 649	74 438 904	75 283 649	74 438 904
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		102 134 634	75 283 649	102 134 634	75 283 649

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 29 FEBRUARY 2008**

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 Trust Group. These policies have been consistently applied unless otherwise stated.

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 consolidated financial statements have been prepared under the historical cost convention.

The financial statements are prepared on the going concern basis.

The preparation of 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 in note 1.17.

a) Standards, amendments and interpretations effective in 2008:

IFRS 7 (AC 144) Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the group's financial instruments and the nature and extent of risks arising from those financial instruments. It does not have any impact on the classification and valuation of financial instruments.

IAS 1 (AC 101) Presentation of Financial Statements

This amendment requires the group to make new disclosures to enable users of the consolidated financial statements to evaluate the group's objectives, policies and processes for managing capital. These new disclosures are disclosed in note 18.

b) Standards, amendments and interpretations not relevant to the group's operations:

- IFRS 8 (AC 145) - Operating Segments
- IAS 23 (AC 114) - Borrowing Costs
- IFRIC 7 (AC 440) - Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8 (AC 441) - Scope of IFRS 2
- IFRIC 9 (AC 442) - Reassessment of Embedded derivatives
- IFRIC 10 (AC 442) - Interim Financial Reporting and Impairment
- IFRIC 11 (AC 444) - IFRS 2 - Group and Treasury Share Transactions
- IFRIC 12 (AC 445) Service Concession Arrangements
- IFRIC 13 (AC 446) Customer Loyalty Programmes
- IFRIC 14 (AC 447) IAS 19 - the limit on a defined benefit asset, minimum funding requirements and their interaction.

c) Standards, amendments and interpretations early adopted

No standards, amendments or interpretations have been early adopted by the group.

THE NELSON MANDELA FOUNDATION TRUST AND ITS SUBSIDIARY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2008

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.

1.3 Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Land is not depreciated as it is deemed to have an indefinite useful life and is therefore stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets donated are recorded at fair value (replacement values) on date of receipt and depreciated from date of receipt.

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:

Buildings	20 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 Heritage assets

Heritage assets consist of artefacts and memorabilia of the Founder for which the group has been given the responsibility to safeguard these items. Artefacts and memorabilia donated to the group are recognised at a nominal value of R1.

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 29 FEBRUARY 2008**

1.5 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.

1.6 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. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the current value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term liabilities. The finance cost element is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

1.7 Investments

Held-to-maturity investments are shown at fair value, which consist of cost less accumulated impairment losses.

1.8 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, held-to-maturity investments, receivables and payables. The fair value of receivables and payables approximate the cost thereof, due to the short term nature thereof.

1.9 Financial assets

The group classifies its financial assets as loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets. The group's loans and receivables comprise receivables and cash and cash equivalents in the balance sheet (note 1.10).

b) Held-to-maturity investments

Held-to-maturity investments are held till maturity date/date of repayment and included in non-current assets (note 1.7).

1.10 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.

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 29 FEBRUARY 2008**

1.11 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.

1.12 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.

1.13 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.

1.14 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.

Assets donated to the group are recorded at fair value (replacement values) on date of receipt. Use of motor vehicles at no charge are valued at the fair value of the consideration received. These donations are disclosed as donations in kind.

Royalty income is recorded on an accrual basis.

1.15 Retirement benefits

The group's contributions to the defined contribution plan are charged to the income statement in the year to which they relate.

1.16 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.

1.17 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.

1.18 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
AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
29 FEBRUARY 2008**

2. PROPERTY, PLANT AND EQUIPMENT

Group	Leased assets (note 2.4) R	Land and buildings (note 2.1 and 2.2) R	Motor vehicle R	Computer equipment R	Office equipment, furniture and fittings R	Total R
Cost - 2008						
Opening balance - 1 March 2007 restated	788 738	14 722 802	-	4 046 850	2 923 611	22 482 001
Additions	37 781	3 500 000	177 900	128 076	172 891	4 016 648
Transfers	-	-	-	1 805	(1 805)	-
Disposals	-	-	-	(635 250)	(31 424)	(666 674)
	826 519	18 222 802	177 900	3 541 481	3 063 273	25 831 975
Accumulated depreciation	(444 705)	(1 404 020)	(35 677)	(3 472 050)	(2 273 994)	(7 630 446)
Opening balance - 1 March 2007 restated	(169 199)	(1 109 564)	-	(3 893 221)	(1 928 100)	(7 100 084)
Depreciation: Current year	(275 506)	(294 456)	(35 677)	(214 079)	(370 393)	(1 190 111)
Disposals	-	-	-	635 250	24 499	659 749
Carrying value	381 814	16 818 782	142 223	69 431	789 279	18 201 529
Cost - 2007						
Opening balance - 1 March 2006 restated	250 762	14 722 802	151 200	3 891 260	2 943 033	21 959 057
Additions	537 976	-	-	155 590	72 433	765 999
Disposals	-	-	(151 200)	-	(91 855)	(243 055)
	788 738	14 722 802	-	4 046 850	2 923 611	22 482 001
Less: Provision for impairment	-	(1 374 126)	-	-	-	(1 374 126)
Accumulated depreciation	(169 199)	(1 109 564)	-	(3 893 221)	(1 928 100)	(7 100 084)
Opening balance - 1 March 2006 restated	(55 724)	(815 108)	(118 440)	(3 182 684)	(1 538 261)	(5 710 217)
Depreciation: Current year	(113 475)	(294 456)	(5 054)	(710 537)	(470 102)	(1 593 624)
Disposals	-	-	123 494	-	80 263	203 757
Impairment loss reversal	-	1 374 126	-	-	-	1 374 126
Carrying value	619 539	13 613 238	-	153 629	995 511	15 381 917

**THE NELSON MANDELA FOUNDATION TRUST
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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Trust	Leased assets (note 2.4) R	Land and buildings (note 2.2) R	Motor vehicle R	Computer equipment R	Office equipment, furniture and fittings R	Total R
Cost - 2008						
Opening balance - 1 March 2007 restated	788 738	-	-	4 046 850	2 923 611	7 759 199
Additions	37 781	3 500 000	177 900	128 076	172 891	4 016 648
Transfers	-	-	-	1 805	(1 805)	-
Disposals	-	-	-	(635 250)	(31 424)	(666 674)
	826 519	3 500 000	177 900	3 541 481	3 063 273	11 109 173
Accumulated depreciation	(444 705)	-	(35 677)	(3 472 050)	(2 273 994)	(6 226 426)
Opening balance - 1 March 2007 restated	(169 199)	-	-	(3 893 221)	(1 928 100)	(5 990 520)
Depreciation:						
Current year	(275 506)	-	(35 677)	(214 079)	(370 393)	(895 655)
Disposals	-	-	-	635 250	24 499	659 749
Carrying value	381 814	3 500 000	142 223	69 431	789 279	4 882 747
Cost - 2007						
Opening balance - 1 March 2006 restated	250 762	-	151 200	3 891 260	2 943 033	7 236 255
Additions	537 976	-	-	155 590	72 433	765 999
Disposals	-	-	(151 200)	-	(91 855)	(243 055)
	788 738	-	-	4 046 850	2 923 611	7 759 199
Accumulated depreciation	(169 199)	-	-	(3 893 221)	(1 928 100)	(5 990 520)
Opening balance - 1 March 2006 restated	(55 724)	-	(118 440)	(3 182 684)	(1 538 261)	(4 895 109)
Depreciation:						
Current year	(113 475)	-	(5 054)	(710 537)	(470 102)	(1 299 168)
Disposals	-	-	123 494	-	80 263	203 757
Carrying value	619 539	-	-	153 629	995 511	1 768 679

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2. PROPERTY, PLANT AND EQUIPMENT - continued

2.1 Property

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 in terms of 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 group 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.

2.2 Land and buildings

The group acquired the house, previously occupied by the Founder, on portion 1 of Lot 1857 Houghton Estate Township Registration Division I.R in the province of Gauteng and measuring 2461 square metres. Management estimates the fair value of the property to approximate the cost thereof. No information is available yet to disclose the value of the land separately.

2.3 Artefacts and memorabilia

The group has been given the responsibility to safeguard certain artefacts and memorabilia of the Founder through a formal deed of donation agreement dated 20 March 2007. Artefacts and memorabilia consist of approximately 412 items which are recorded at a nominal value of R1. Due to the historical and unique nature of these items, it is not feasible to determine a fair value. These assets may not be sold.

2.4 Leased assets consist of computer equipment (cost of R478 682) and office equipment (cost of R347 837). Leased assets are encumbered by finance lease liabilities in the amount of R504 536 (2007: R682 576) (Note 5).

3. RECEIVABLES AND PREPAYMENTS

	Group		Trust	
	2008	Restated 2007	2008	Restated 2007
	R	R	R	R
Prepaid expenses	8 304	43 111	8 304	43 111
Recoverable advances and other receivables	1 065 799	86 342	1 065 799	86 342
Sundry debtors	48 294	12 303	48 294	12 303
South African Revenue Services - Value Added Tax	99 112	711 039	99 112	711 039
	<u>1 221 509</u>	<u>852 795</u>	<u>1 221 509</u>	<u>852 795</u>

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	Group		Trust	
	2008 R	Restated 2007 R	2008 R	Restated 2007 R
4. CASH AND CASH EQUIVALENTS				
Bank balances	246 908	193 212	246 908	193 212
Cash on hand	5 000	5 000	5 000	5 000
Short-term bank deposits:				
- Designated funds	50 446 552	36 402 187	50 446 552	36 402 187
- Trust funds	-	2 772 363	-	2 772 363
- Other funds	51 436 175	35 910 887	51 436 175	35 910 887
	<u>102 134 634</u>	<u>75 283 649</u>	<u>102 134 634</u>	<u>75 283 649</u>

The average return on these investments was 9% (2007: 6.5%). The designated funds amounting to R50 446 552 (2007: R36 402 187) may only be utilised for specific purposes.

5. FINANCE LEASE LIABILITIES

Some computer and office equipment are leased under non-cancellable lease agreements. The lease terms are between three and five years. As the lease terms transfer substantially all the risks and rewards of ownership to the group, these leases are classified as finance lease.

	Group and Trust	
	2008 R	Restated 2007 R
Total liabilities	504 536	682 576
Less: Short term portion disclosed as trade and other payables (note 6)	(225 830)	(191 873)
	<u>278 706</u>	<u>490 703</u>

Reconciliation of minimum lease payments

As at 29 February 2008

	Minimum payments R	Interest cost R	Present value R
Less than one year	287 124	61 294	225 830
Two to five years	339 092	60 386	278 706
More than five years	-	-	-
	<u>626 216</u>	<u>121 680</u>	<u>504 536</u>

As at 28 February 2007

	Minimum payments R	Interest cost R	Present value R
Less than one year	262 285	70 412	191 873
Two to five years	599 968	109 265	490 703
More than five years	-	-	-
	<u>862 253</u>	<u>179 677</u>	<u>682 576</u>

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	Group		Trust	
	2008	Restated	2008	Restated
	R	2007	R	2007
		R		R
6. TRADE AND OTHER PAYABLES				
Accruals	1 202 012	1 092 748	1 202 012	1 092 748
Sundry creditor	11 784	284 488	11 784	284 488
Accrual for leave	594 765	573 700	594 765	573 700
Short term portion of finance lease liabilities	225 830	191 873	225 830	191 873
South-African Revenue Services- Employees' Tax	3 997 401	2 394 129	3 997 401	2 394 129
	<u>6 031 792</u>	<u>4 536 938</u>	<u>6 031 792</u>	<u>4 536 938</u>
7. DEFERRED GRANTS				
Opening balance	39 174 551	22 128 582	39 174 551	22 128 582
Grants allocated to designated funds	35 818 736	36 890 736	35 818 736	36 890 736
Refunds to donors	-	(2 016 681)	-	(2 016 681)
Interest and VAT refunds allocated to designated funds	3 937 146	2 555 088	3 937 146	2 555 088
Deferred grants recognised	(30 349 253)	(20 383 174)	(30 349 253)	(20 383 174)
Closing balance	<u>48 581 180</u>	<u>39 174 551</u>	<u>48 581 180</u>	<u>39 174 551</u>
The closing balance consists of:				
Deferred income for the Trust	48 581 180	37 603 163	48 581 180	37 603 163
Funds held on behalf of third parties	-	1 571 388	-	1 571 388
	<u>48 581 180</u>	<u>39 174 551</u>	<u>48 581 180</u>	<u>39 174 551</u>
8. DONATIONS IN KIND				
Fixed assets donated	240 170	-	240 170	-
Fair value of use of vehicles	278 640	106 110	278 640	106 110
	<u>518 810</u>	<u>106 110</u>	<u>518 810</u>	<u>106 110</u>
9. PROJECT EXPENSES				
Centre of memory	10 468 268	6 097 081	10 468 268	6 097 081
Education	-	6 430 539	-	6 430 539
Health and HIV Awareness	-	12 841 063	-	12 841 063
Dialogue and Leadership Series	7 284 469	2 445 031	7 284 469	2 445 031
	<u>17 752 737</u>	<u>27 813 714</u>	<u>17 752 737</u>	<u>27 813 714</u>

Refer to Annexures B and C for a detailed analysis of project expenses by nature.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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	Group		Trust	
	2008	Restated 2007	2008	Restated 2007
	R	R	R	R
10. EXPENSES BY NATURE				
Depreciation	1 190 111	1 593 624	895 655	1 299 168
Legal fees	842 398	61 853	842 397	61 853
Project implementation costs	13 595 840	23 854 992	13 595 840	23 854 992
Repairs and maintenance	238 801	850 299	238 801	850 299
Audit fees	877 197	763 572	877 197	763 572
Personnel remuneration	14 246 215	12 793 622	14 246 215	12 793 622
Loss/(profit) on disposal of fixed assets	1 924	(18 901)	1 924	(18 901)
Contribution to defined contribution plan	1 578 914	1 049 231	1 578 914	1 049 231
Foreign exchange loss	37 791	-	37 791	-
Credit losses	10 667	-	10 667	-
VAT - Penalties to SARS	3 470	12 423	3 470	12 423
Rent on land	569	569	-	-

Refer to Annexures B and C for a detailed analysis of operating expenses by nature.

11. FINANCE COST

Finance cost - finance lease liabilities	93 208	37 175	93 208	37 175
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12. 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 registered as a Public Benefit Organisation and exempt from normal income tax, subject to certain conditions. Royalty income received is regarded as trading activities and subject to normal income tax.

	Group		Trust	
	2008	Restated 2007	2008	Restated 2007
	R	R	R	R
13. NOTES TO THE CASH FLOW STATEMENT				
Cash generated from/(utilised in) operating activities				
Net surplus/(deficit)	19 349 256	(18 522 754)	19 644 281	(19 601 856)
Adjustments for:				
Depreciation	1 190 111	1 593 624	895 655	1 299 168
Finance income	(3 207 427)	(2 943 413)	(3 207 427)	(2 943 413)
Impairment loss on building	-	(1 374 126)	-	-
Loss/(profit) on disposal of fixed assets	1 924	(18 901)	1 924	(18 901)
Finance cost	93 208	37 175	93 208	37 175
	17 427 072	(21 228 395)	17 427 641	(21 227 827)
Movements in working capital:				
Decrease/(increase) in accounts receivable	(368 143)	2 973 414	(368 712)	2 973 414
Increase/(decrease) in payables and deferred grants	10 901 483	16 631 295	10 901 483	16 631 295
	27 960 412	(1 623 686)	27 960 412	(1 623 118)

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14. RELATED PARTY TRANSACTIONS

The following transactions were incurred with related parties:

Related party	Relationship	Nature of transaction	Group and Trust	
			2008 R	2007 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)	-	-
4. Nelson Mandela Family	Relative of Founder	Sundry debtor (repaid after year-end)	-	64 787
5. Senior management	Key senior management	Remuneration	3 702 173	3 476 758
6. 46664 Association Incorporated in terms of Section 21	Intergroup company	Sundry debtor	203 289	12 426
7. UK Legacy Trust	Sister Organisation	Advance	-	4 000 000
		Donation received	12 427 643	-
8. The Founder	The Founder	Remuneration and employees' tax	3 980 212	2 963 252
		Advance	377 304	-
9. Fundacao Para O Desenvolvimento	Related to Founder	Donation	-	753 385

15. RETIREMENT BENEFITS

As at 29 February 2008, 31 (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 R 1 578 914 (2007 - R1 049 231) and was charged to the income statement. The group has no further obligation to provide retirement benefits to its employees.

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	Payable not later than 1 year R	Payable later than 1 year R	Total payable R
16. COMMITMENTS			
The following contractual commitments exist at year-end:			
Service providers			
- Praxis	440 154	146 718	586 872
- Internet Solutions	336 000	268 800	604 800
- Tone Digital	826 229	-	826 229
- Perpetual Power Systems (Pty) Limited	75 208	75 208	150 416
- Ravjee and Associates	168 000	-	168 000
- Florence Duval	95 920	-	95 920
- M Kana	181 500	16 500	198 000
- Other commitments	99 838	-	99 838
Project implementing agents			
- Cool Ideas	2 400 000	-	2 400 000
- Flow Communications	1 022 580	-	1 022 580
- Global Interface	3 013 398	-	3 013 398
- Shoeshoe Mohaladitoe & Associates	221 000	-	221 000
- Makhamokha Mohale	128 333	11 667	140 000
- Heather Muller Management	300 000	-	300 000
- Helen Joanides	85 800	-	85 800
Total commitments	9 393 960	518 893	9 912 852

These consist of contractual commitments relating to projects and the Centre of Memory and will be funded by deferred grants and income generated in the normal course of business.

17. FINANCIAL RISK MANAGEMENT

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

a) Market Risk

Interest rate risk

The group's income and operating cash flows are independent of changes in market interest rates. At the reporting date the interest rate profile of the group's interest bearing financial instruments was as follows:

	2008 R	2007 R
<i>Variable rate instruments</i>		
Cash and cash equivalents	102 134 634	75 283 649
<i>Sensitivity analysis</i>		
An increase or decrease of one percentage in interest rates at the reporting date		
	Surplus or deficit 2008 R	2007 R
Increase of one percentage	1 021 346	752 836
Decrease of one percentage	(1 021 346)	(752 836)

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17. FINANCIAL RISK MANAGEMENT - continued

Foreign exchange risk

The group incurs foreign exchange risk as a result of certain donations received in US dollar and UK Pound Sterling.

b) Credit risk management

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and outstanding receivables. The group only deals with reputable financial institutions and the maximum exposure amounts to R102 134 634 (2007: R75 283 649).

c) Capital risk

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure. In order to maintain the capital structure, an Investment Committee has been established to develop long term investment strategies.

d) Liquidity risk

Sufficient cash is maintained to manage the group's liquidity risk. Trade and other payables in the amount of R5 199 413 are payable within 3 months after year end.

18. 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.

19. CONTINGENT LIABILITY

The group may be liable for penalties and interest on the late payment of certain employees' tax, Skills Development Levy and Unemployment Insurance Fund contributions. Based on discussions with the South African Revenue Services (SARS), the liability has only been calculated for the 2006, 2007 and 2008 tax years. Management estimates the maximum exposure in respect of penalties and interest to be R1 013 502. The possibility exists that the South African Revenue Services might waive the penalties and interest payable.

20. PRIOR YEAR ADJUSTMENTS

The group capitalised operating leases as finance leases as required in terms of International Accounting Standard IAS 17, which resulted in prior year adjustments. In addition, the group did not account for employees' tax which was payable on remuneration and taxable benefits paid to the Founder. The effect on the financial statements are as follows:

Group	As previously stated 2007 R	Finance lease 2007 R	Employees' tax 2007 R	Prior period expenses 2007 R	Restated 2007 R
Income statement					
Donations in kind	-	-	-	(106 110)	(106 110)
Operating expenses	17 188 490	106 300	1 194 032	249 435	18 738 257
Finance cost	-	37 175	-	-	37 175
	17 188 490	143 475	1 194 032	143 325	46 325 881
Net effect on income statement- 2007	-	143 475	1 194 032	143 325	1 480 832
Net effect on income statement- 2006	-	25 672	1 200 097	-	1 225 769
Balance sheet					
Fixed assets - carrying value	14 762 378	619 539	-	-	15 381 917
Finance lease liability- (non-current)	-	490 703	-	-	490 703
Trade and other payables	1 701 501	191 873	2 394 129	143 325	4 536 938
	16 463 879	1 302 115	2 394 129	143 325	20 409 558

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20. PRIOR YEAR ADJUSTMENTS - continued

Trust	As previously stated 2007 R	Finance lease 2007 R	Employees' tax 2007 R	Prior period expenses 2007 R	Restated 2007 R
<i>Income statement</i>					
Donations in kind	-	-	-	(106 110)	(106 110)
Operating expenses	16 893 465	106 300	1 194 032	249 435	18 443 232
Finance cost	-	37 175	-	-	37 175
	16 893 465	143 475	1 194 032	143 325	18 374 297
Net effect on income statement- 2007	-	143 475	1 194 032	143 325	1 480 832
Net effect on income statement- 2006	-	25 672	1 200 097	-	1 225 769
<i>Balance sheet</i>					
Fixed assets - carrying value	1 149 140	619 539	-	-	1 768 679
Finance lease liability- (non-current)	-	490 703	-	-	490 703
Trade and other payables	1 701 501	191 873	2 394 129	143 325	4 536 938
	2 850 641	1 302 115	2 394 129	143 325	6 796 320

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**SCHEDULE OF DONATIONS RECEIVED FOR THE FINANCIAL YEAR ENDED
29 FEBRUARY 2008**

	Amount received R	Amount recognised - transfer from deferred grants R	Unexpended grants - Transferred to deferred grants R	Net grants recognised R
DESIGNATED	35 894 439	30 424 956	35 894 439	30 424 956
DESIGNATED TO HEALTH AND EDUCATION	10 209 986	10 293 220	10 209 986	10 293 220
Better World Funds - Education	1 472 738	1 949 133	1 472 738	1 949 133
Microsoft SA	63 625	285 853	63 625	285 853
Vodacom Group (Pty) Ltd	2 500 000	3 500	2 500 000	3 500
UN AIDS Worlds Health Organisation	1 336 523	-	1 336 523	-
General Health Funds	10 000	22 285	10 000	22 285
UNICEF	4 486 123	189 120	4 486 123	189 120
Merck	340 978	67 371	340 978	67 371
Wingate	-	1 254 609	-	1 254 609
Consulate of Monaco	-	285 571	-	285 571
Friends of the Nelson Mandela Foundation (US)	-	1 809 746	-	1 809 746
Australian High Commission	-	16 800	-	16 800
ICAP South Africa	-	31 946	-	31 946
Swordspoint	-	40 362	-	40 362
Hasso Plattner	-	2 723 412	-	2 723 412
Andrew Bapiele	-	495 273	-	495 273
GSK	-	1 118 239	-	1 118 239
DESIGNATED TO CENTRE OF MEMORY	25 684 453	20 131 736	25 684 453	20 131 736
Ford Foundation	-	5 722	-	5 722
Friends 2 (PPE)	-	57 381	-	57 381
Friends 2	-	6 045 774	-	6 045 774
JDA Development	877 193	916 569	877 193	916 569
Friends of the Nelson Mandela Foundation	11 088 951	9 477 457	11 088 951	9 477 457
COMIC 7	65 333	85 672	65 333	85 672
COMIC 8	65 333	68 614	65 333	68 614
Nelson Mandela Trust (UK)	12 427 643	1 350 098	12 427 643	1 350 098
Embassy of Sweden	100 000	-	100 000	-
UK Legacy Trust	-	1 029 622	-	1 029 622
AUDI/Volkswagen	60 000	61 566	60 000	61 566
SAP Africa	1 000 000	1 033 261	1 000 000	1 033 261
OTHER (UNDESIGNATED)	22 857 761	-	-	22 857 761
General funds	22 857 761	-	-	22 857 761
	58 752 200	30 424 956	35 894 439	53 282 717

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**CONSOLIDATED SCHEDULE OF TOTAL EXPENSES FOR THE YEAR ENDED
29 FEBRUARY 2008**

Group	Operating expenses 2008 R	Operating expenses 2007 R	Project expenses 2008 R	Project expenses 2007 R	Total expenses 2008 R	Restated Total expenses 2007 R
Audit fee	877 197	763 572	-	-	877 197	763 572
Advertising, marketing and promotions	54 577	36 873	1 572 552	294 231	1 627 129	331 104
Bank charges	4 721	4 938	-	-	4 721	4 939
Courier and postage	103 202	40 685	24 950	34 653	128 152	75 338
Depreciation	1 190 111	1 593 624	-	-	1 190 111	1 593 624
Workshops and meetings	226 664	416 312	62 967	1 923 561	289 631	2 339 873
Office expenditure	156 746	131 299	657 343	98 976	814 089	230 274
Project implementation cost	934 444	693 921	12 661 396	23 161 071	13 595 840	23 854 992
Insurance	-	40 874	238 329	163 496	238 329	204 370
Repairs and maintenance	60 203	171 547	178 598	678 752	238 801	850 299
Gifts and flowers	500	-	27 736	-	28 236	-
Rates and taxes	202 383	20 443	-	80 487	202 384	100 930
Printing and stationery	32 896	50 413	133 609	109 467	166 505	159 880
Publications and subscriptions	-	16 641	-	66 820	-	83 461
Personnel remuneration	14 245 815	12 793 622	400	-	14 246 215	12 793 622
Telephone and communication	201 579	410 458	1 025 483	411 381	1 227 062	821 839
Travel and accommodation	1 691 513	1 372 732	554 203	784 596	2 245 716	2 157 328
Legal fees	439 747	55 630	402 650	6 223	842 398	61 853
Penalty - VAT	3 470	12 423	-	-	3 470	12 423
Technical support	-	-	174 730	-	174 730	-
Security	350	-	-	-	350	-
Credit losses	10 667	-	-	-	10 667	-
Operating leases	-	5 571	-	-	-	5 571
Forex exchange losses	-	-	37 791	-	37 791	-
Loss on disposal of assets	1 924	-	-	-	1 924	-
Fair value of free use of vehicles	278 640	106 110	-	-	278 640	106 110
Rent on land	569	569	-	-	569	569
Subtotal	20 717 920	18 738 257	17 752 737	27 813 714	38 470 657	46 551 971
Finance cost	93 208	37 175	-	-	93 208	37 175
Total	20 811 128	18 775 432	17 752 737	27 813 714	38 563 865	46 589 146

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**SCHEDULE OF TOTAL EXPENSES FOR THE YEAR ENDED
29 FEBRUARY 2008**

Trust	Operating expenses 2008 R	Operating expenses 2007 R	Project expenses 2008 R	Project expenses 2007 R	Total expenses 2008 R	Restated Total expenses 2007 R
Audit fee	877 197	763 572	-	-	877 197	763 572
Advertising, marketing and promotions	54 577	36 873	1 572 552	294 231	1 627 129	331 104
Bank charges	4 721	4 938	-	-	4 721	4 939
Courier and postage	103 202	40 685	24 950	34 653	128 152	75 338
Depreciation	895 655	1 299 168	-	-	895 655	1 299 168
Workshops and meetings	226 664	416 312	62 967	1 923 561	289 631	2 339 873
Office expenditure	156 746	131 299	657 343	98 976	814 089	230 275
Project implementation cost	934 444	693 921	12 661 396	23 161 071	13 595 840	23 854 992
Insurance	-	40 874	238 329	163 496	238 329	204 370
Repairs and maintenance	60 203	171 547	178 598	678 752	238 801	850 299
Gifts and flowers	500	-	27 736	-	28 236	-
Rates and taxes	202 384	20 443	-	80 487	202 384	100 930
Printing and stationery	32 896	50 413	133 609	109 467	166 505	159 880
Publications and subscriptions	-	16 641	-	66 820	-	83 461
Personnel remuneration	14 245 815	12 793 622	400	-	14 246 215	12 793 622
Telephone and communication	201 579	410 458	1 025 483	411 381	1 227 062	821 839
Travel and accommodation	1 691 513	1 372 732	554 203	784 596	2 245 716	2 157 328
Legal fees	439 747	55 630	402 650	6 223	842 397	61 853
Penalty - VAT	3 470	12 423	-	-	3 470	12 423
Technical support	-	-	174 730	-	174 730	-
Security	350	-	-	-	350	-
Credit losses	10 667	-	-	-	10 667	-
Operating leases	-	5 571	-	-	-	5 571
Forex exchange losses	-	-	37 791	-	37 791	-
Loss on disposal of assets	1 924	-	-	-	1 924	-
Fair value of free use of vehicles	278 640	106 110	-	-	278 640	106 110
Subtotal	20 422 895	18 443 232	17 752 737	27 813 714	38 175 632	46 256 947
Finance cost	93 208	37 175	-	-	93 208	37 175
Total	20 516 103	18 480 407	17 752 737	27 813 714	38 268 840	46 294 122

**THE NELSON MANDELA FOUNDATION TRUST
AND ITS SUBSIDIARY**

**MEMORANDUM OF TAXABLE INCOME FOR THE YEAR
ENDED 29 FEBRUARY 2008**

	R
Royalty income per income statement	915 505
Less:	
Exemption	
5% of total receipts of R61 487 053 - limited to	(915 505)
Taxable Income	<hr/> -
SOUTH AFRICAN NORMAL INCOME TAX PAYABLE	
Current tax @ 40%	<hr/> -
TOTAL TAXATION PAYABLE FOR THE YEAR	<hr/> -