

**THE NELSON MANDELA FOUNDATION TRUST**

**(REGISTRATION NUMBER: IT 9259/1999)**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED  
28 FEBRUARY 2009**

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<b>CHAIRMAN:</b>	Prof GJ Gerwel
<b>CHIEF EXECUTIVE OFFICER:</b>	Mr AE Dangor
<b>BUSINESS ADDRESS:</b>	107 Central Street Houghton 2198
<b>FINANCIAL INSTITUTION:</b>	Nedbank Limited Johannesburg
<b>AUDITORS:</b>	PricewaterhouseCoopers Inc. Registered auditors Gauteng
<b>COUNTRY OF INCORPORATION:</b>	South Africa

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# THE NELSON MANDELA FOUNDATION TRUST

## STATEMENT OF RESPONSIBILITY OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2009

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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. 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.

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'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.

### APPROVAL

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The annual financial statements set out on pages 3 to 23 were approved by the Board of Trustees on 25 August 2009 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 of the Nelson Mandela Foundation Trust, which comprise the balance sheet as at 28 February 2009, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report, as set out on pages 3 to 20.

*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. 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 management, 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**

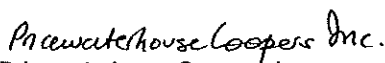
In common with similar organisations, it is not feasible for the Nelson Mandela Foundation Trust to institute accounting controls over collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination 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 as at 28 February 2009 and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

**Unaudited supplementary information**

The supplementary information set out on pages 21 to 23 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

  
PricewaterhouseCoopers Inc.  
Director: N Ayob  
Registered Auditor  
PRETORIA  
19 October 2009

Executive: S P Kana (Chief Executive Officer) T P Blandin de Chalaïn D J Folscher G M Xhumalo I S Sehoole S Subramoney F Tonelli

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Resident Director in Charge: M S I Gani

The Company's principal place of business is at 2 Eglin Road, Sunninghill, where a list of directors' names is available for inspection.  
PricewaterhouseCoopers Inc is an authorised financial services provider.  
VAT reg. no. 4950174682

# THE NELSON MANDELA FOUNDATION TRUST

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2009

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The trustees herewith present their report for the year ended 28 February 2009.

### 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 business plan was approved and implemented in January 2007, which is discussed in paragraph 3 below.

### 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) (resigned on 12 March 2007)

\*Mozambique nationality

#### Trustee

Masekela, B J M (resigned on 12 March 2007)  
Mlambo-Ngcuka, P (resigned on 12 March 2007)  
Motlana, N H (passed away on 1 December 2008)  
Netshitenzhe, J K (resigned on 12 March 2007)  
Ramaphosa, C M (resigned on 12 March 2007)  
Ramphele, M A  
Sexwale, T G  
Sonn, F A (resigned on 12 March 2007)

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

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 have been registered with the Master's Office with effect from 30 March 2009. Certain trustees will be invited to form part of an Advisory Council to the Trust.

### 3. STRATEGIC CHANGE

A business plan was implemented during January 2007 with an emphasis on the Centre 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" and the project is now in the second implementation phase. 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 previous 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 which are still to be obtained specifically for this purpose.

**THE NELSON MANDELA FOUNDATION TRUST**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**28 FEBRUARY 2009**

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**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. FINANCIAL RESULTS**

The financial results for the year under review are detailed in the annexed financial statements and notes thereto.

**6. GOING CONCERN**

The annual financial statements were prepared on a going concern basis, as the Trustees have no reason to believe that the Trust will not be a going concern in the foreseeable future based on forecasts and available cash resources. For this reason they continue to adopt the going concern basis in preparing the annual financial statements.

# THE NELSON MANDELA FOUNDATION TRUST

## BALANCE SHEET AT 28 FEBRUARY 2009

	Notes	2009 R	Restated 2008 R
<b>ASSETS</b>			
NON-CURRENT ASSETS		37 514 443	55 050 035
Property, plant and equipment	2	5 237 188	4 882 747
Held to maturity investment	3	14 537 058	14 537 058
Available-for-sale financial assets	4	17 740 197	35 630 230
CURRENT ASSETS		179 108 515	103 356 143
Receivables and prepayments	5	2 442 391	1 221 509
Cash and cash equivalents	6	176 666 124	102 134 634
<b>TOTAL ASSETS</b>		<b>216 622 958</b>	<b>158 406 178</b>
<b>CONTRIBUTIONS AND LIABILITIES</b>			
CONTRIBUTIONS		149 611 072	103 514 500
Contribution		1 000	1 000
Accumulated funds		149 610 072	103 513 500
NON-CURRENT LIABILITIES			
Finance lease liabilities	7	827 548	278 706
CURRENT LIABILITIES		66 184 338	54 612 972
Trade and other payables	8	7 132 456	6 031 792
Deferred grants	9	59 051 882	48 581 180
<b>TOTAL CONTRIBUTION AND LIABILITIES</b>		<b>216 622 958</b>	<b>158 406 178</b>

# THE NELSON MANDELA FOUNDATION TRUST

## INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2009

	Notes	2009 R	Restated 2008 R
<b>INCOME</b>		107 158 317	87 534 017
Grants received:		103 919 671	53 207 014
Designated grants	9	45 778 249	30 349 253
Other donations		58 141 422	22 857 761
Dividends received		1 129 127	-
Donation of royalty income		1 413 816	915 505
Donations in kind	10	278 680	33 347 133
Other income		417 023	64 365
<b>EXPENDITURE</b>		(51 839 178)	(38 175 632)
Operating expenses		33 204 831	20 422 895
Project expenses	11	18 634 347	17 752 737
<b>Net surplus before finance income</b>	12	55 319 139	49 358 385
Finance income		8 849 642	3 207 427
Total finance income		12 811 882	7 068 872
Less: Finance income allocated to designated funds	9	(3 962 240)	(3 861 445)
Finance cost	13	(182 136)	(93 208)
Impairment loss	4	(15 264 126)	-
<b>Net surplus for the year before tax</b>		48 722 519	52 472 604
Normal income tax	14	-	-
<b>NET SURPLUS FOR THE YEAR</b>		48 722 519	52 472 604

# THE NELSON MANDELA FOUNDATION TRUST

## STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 28 FEBRUARY 2009

	Notes	Contri- bution	Available- for-sale investments	Accumulated funds	Total
		R	R	R	R
Balance at 1 March 2007		1 000	-	48 238 989	48 239 989
Net surplus for the year - restated			-	52 472 604	52 472 604
Net surplus for the year - as previously stated			-	19 644 281	19 644 281
Prior year adjustment - donation in kind	22		-	32 828 323	32 828 323
Prior year adjustment - Fair value adjustment	4		2 801 907	-	2 801 907
Balance at 29 February 2008		1 000	2 801 907	100 711 593	103 514 500
Fair value adjustment	4		(2 625 947)	-	(2 625 947)
Net surplus for the year			-	48 722 519	48 722 519
Balance at 28 February 2009		1 000	175 960	149 434 112	149 611 072



# THE NELSON MANDELA FOUNDATION TRUST

## CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2009

	Notes	2009 R	Restated 2008 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	15	65 360 048	60 788 735
Finance income		8 849 642	3 207 427
Finance cost		(182 136)	(93 208)
Dividends received		1 129 127	-
<b>Net cash inflow from operating activities</b>		<b>75 156 681</b>	<b>63 902 954</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of fixed assets		-	5 000
Fixed assets acquired		( 733 133)	(4 016 648)
Increase in available-for-sale investments	4.2	( 40)	(32 828 323)
<b>Net cash outflow from investing activities</b>		<b>( 733 173)</b>	<b>(36 839 971)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in finance lease liabilities		107 982	( 211 998)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>107 982</b>	<b>( 211 998)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>74 531 490</b>	<b>26 850 985</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>102 134 634</b>	<b>75 283 649</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>176 666 124</b>	<b>102 134 634</b>

**THE NELSON MANDELA FOUNDATION TRUST**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1.1 Basis of preparation**

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

The financial statements are prepared on the going concern basis.

The preparation of 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 Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.17.

*a) Standards, amendments and interpretations effective in 2009 but not relevant to the Trust's operations:*

The following interpretations to published standards is mandatory for accounting periods beginning on or after 1 March 2008 but is not relevant to the Trust's operations:

- IFRIC 12 (AC 445) Service Concession Arrangements
- IFRIC 14 (AC 447) IAS 19 - the limit on a defined benefit asset, minimum funding requirements and their interaction.

*b) Standards, amendments and interpretations early adopted*

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

*c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Trust:*

IAS 1 (AC 101) - Presentation of financial statements - Revised  
Amendment to IFRS 7 (AC 144) - Financial instruments: Disclosures

*d) Standards, amendments and interpretations to existing standards that are not yet effective and not relevant to the Trust's operations:*

IFRS 3 (AC 140) - Business Combinations  
IFRS 8 (AC 145) - Operating Segments  
IAS 14 (AC 115) - Segment reporting  
IAS 23 (AC 114) - Borrowing Costs  
IAS 27 (AC 132) - Consolidated and separate financial statements  
Amendment to IAS 32 (AC 125): Financial instruments presentation  
Amendment to IAS 39 (AC 133): Financial instruments recognition and measurement  
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 13 (AC 446) - Customer loyalty programmes  
IFRIC 15 - Agreements for the construction of real estate  
IFRIC 16 (AC 449) - hedges of a Net investment in a foreign operation  
IFRIC 17 - Distributions of non-cash assets to owners  
IFRIC 18 - Transfers of assets from customers

**1.2 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.

# THE NELSON MANDELA FOUNDATION TRUST

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2009

### 1.2 Property plant and equipment (continue)

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 Trust 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 over their estimated useful lives, as follows:

Buildings	20 years
Computer equipment	3 years
Computer software	2 years
Office equipment, furniture and fittings	6 years
Vehicles	5 years
Leased assets	5 years

The assets' 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.

### 1.3 Artefacts and memorabilia

The Trust has been given the responsibility to safeguard artefacts and memorabilia of the Founder. Artefacts and memorabilia donated to the trust are recognised at a nominal value of R1.

### 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. Leases of property, plant and equipment where the trust 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 shorter of the useful life of the asset and the lease term.

### 1.6 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.

### 1.7 Financial assets

The trust 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 trust's loans and receivables comprise receivables and cash and cash equivalents in the balance sheet (note 1.10).

**THE NELSON MANDELA FOUNDATION TRUST**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

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**1.7 Financial assets (continue)**

*b) Held-to-maturity investments*

Held-to-maturity investments are held till maturity date/date of repayment and included in non-current assets (note 1.8).

*c) Available-for-sale financial assets*

Available-for-sale assets are non-derivatives designated in this category and included in non-current assets.

Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from investments have expired or have been transferred and the trust has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities. The fair values of quoted investments are based on current bid prices. In the case of equity securities classified as available-for-sale, a significant decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

**1.8 Investments**

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

**1.9 Other receivables**

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off in the year in which they are identified.

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and short-term investments, and 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.

**1.11 Trade payables**

Trade payables are initially carried at fair value and subsequently measured at amortised cost.

**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 (undesigned) donations are recorded as income when cash is received.

Assets donated to the trust at no cost 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.

**THE NELSON MANDELA FOUNDATION TRUST**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

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**1.14 Recognition of income (continue)**

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 recorded on an accrual basis.

Dividend income is recognised when the right to receive payment is established.

**1.15 Retirement benefits**

The Trust's contributions to the defined contribution plan are recognised as employee benefit expenses in the income statement in the year to which they relate. A defined contribution plan is a pension plan under which the Trust pays fixed contributions into a separate entity. The Trust has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Trust pays contributions to publicly administered pension plans on a mandatory, contractual or voluntary basis. The Trust has no further payment obligations once the contributions have been paid.

**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:

*a) 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.

*b) Provision for credit losses*

At year-end management makes an estimate of the amount it expects to recover from outstanding balances. A provision for credit losses is raised based on these estimates.

*c) Impairment of available-for-sale financial assets*

The Trust follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Trust evaluates the duration and extent to which the fair value of an investment is less than its cost and the industry and sector performance. If the decline in fair value is considered significant or prolonged, the accumulated fair value adjustment recognised in equity on the impaired available-for-sale financial asset is transferred to the income statement.

*d) Allocation of operating expenditure*

Operating expenditure and overhead costs not related to specific projects, are allocated to all projects in terms of a framework and budget established by the Trust.

**1.18 Contingent liabilities**

Contingent liabilities are disclosed when the trust 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 trust.

# THE NELSON MANDELA FOUNDATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2009

### 2. PROPERTY, PLANT AND EQUIPMENT

	Leased assets (note 2.3) R	Land and buildings (note 2.1) R	Motor vehicle R	Computer equipment R	Office equipment, furniture and fittings R	Total R
<b>Cost - 2009</b>						
Opening balance - 1 March 2008	826 519	3 500 000	177 900	3 541 481	3 063 273	11 109 173
Additions	1 363 941	-	-	71 573	41 940	1 477 454
Disposal of leased assets	(37 781)	-	-	-	-	(37 781)
Reclassification	-	-	-	-	(377 910)	(377 910)
	2 152 679	3 500 000	177 900	3 613 054	2 727 303	12 170 936
<b>Accumulated depreciation</b>	(917 017)	-	(71 257)	(3 602 785)	(2 342 689)	(6 933 748)
Opening balance - 1 March 2008	(444 705)	-	(35 677)	(3 472 050)	(2 273 994)	(6 226 426)
Depreciation:						
Current year	(494 405)	-	(35 580)	(130 735)	(411 566)	(1 072 286)
Disposal of leased assets	22 093	-	-	-	-	22 093
Reclassification	-	-	-	-	342 871	342 871
<b>Carrying value</b>	1 235 662	3 500 000	106 643	10 269	384 614	5 237 188

### 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
<b>Accumulated depreciation</b>	(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
<b>Carrying value</b>	381 814	3 500 000	142 223	69 431	789 279	4 882 747

#### 2.1 Land and buildings

Land and buildings consist of 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.

#### 2.2 Artefacts and memorabilia

The Trust 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 1 698 (2008: 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.

#### 2.3 Leased assets consist of computer equipment and office equipment (cost of R2 152 679). Leased assets are encumbered by finance lease liabilities in the amount of R1 356 838 (2008: R504 536) (Note 7).

# THE NELSON MANDELA FOUNDATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2009

	2009 R	Restated 2008 R
<b>3. HELD-TO-MATURITY INVESTMENT IN WHOLLY OWNED SUBSIDIARY</b>		
<b>Unlisted investment</b>		
Avance Investment and Holding (Pty) Ltd		
Shares at cost - 100 shares	100	100
Loan	14 536 958	14 536 958
	<u>14 537 058</u>	<u>14 537 058</u>

The only asset of the wholly owned subsidiary is an office building with a cost value of R14 722 802 (book value - R13 024 325) constructed on land held under a 25 year lease. The land is leased from the City of Johannesburg Metropolitan Council by the company for 25 years, commencing on 1 February 2002. The lease will end on 31 January 2027. The City of Johannesburg Metropolitan Council has given the lessee an option to acquire the property from the 23rd year for an amount of R1 000. The option, if not exercised, will lapse on 30 November 2026. The property comprises Erf 1889 Houghton Estate, IR measuring approximately 6821 square meters in extent and a portion of the remaining extent of Erf 1890 Houghton Estate, IR approximately 6559 square meters in extent. The loan has no fixed repayment terms and is interest free. The property may not be sold by the subsidiary without approval from the Board of Trustees. The trustees' valuation of the building amounts to R18.7 million (2008: R18.7 million).

### 4. AVAILABLE-FOR-SALE FINANCIAL ASSETS

#### Listed investments

##### 4.1 Mvelaphanda Group Limited

Opening balance	35 630 230	-
Donation of shares - 4 181 952 shares	-	32 828 323
Fair value adjustment (from)/to equity	(2 801 907)	2 801 907
Impairment loss	(15 264 126)	-
	<u>17 564 197</u>	<u>35 630 230</u>

These shares are held by a nominee company Reb Nominees (Pty) Limited. The following conditions to this investment are listed in the voting pool agreement:

- Mvela Holdings (Pty) Limited have irrevocable power of attorney to vote at annual general meetings on behalf of the vendors.
- The vendors remain the beneficial shareholder.
- The shares may only be sold to Mvela Holdings (Pty) Limited. The shares may not be sold before 31 March 2011, unless it is approved by and offered to Mvela Holdings (Pty) Limited and sold to Historically Disadvantaged South Africans.

##### 4.2 Brimstone Investment Corporation Limited

Donation of shares - 40 000 shares	40	-
Fair value adjustment to equity	175 960	-
	<u>176 000</u>	<u>-</u>

The investment is administered by the Brimstone Equity Share Trust and beneficiaries have vested rights with regard to capital and income distributions of the Trust.

<b>TOTAL</b>	<u>17 740 197</u>	<u>35 630 230</u>
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The movement in available-for-sale financial assets may be summarised as follows:

Donation of shares received	40	32 828 323
Fair value adjustment (from)/to equity	(2 625 947)	2 801 907
Impairment loss	(15 264 126)	-
	<u>(17 890 033)</u>	<u>35 630 230</u>

The investment in Brimstone Investment Corporation Limited is not impaired.

# THE NELSON MANDELA FOUNDATION TRUST

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2009

	2009 R	Restated 2008 R
<b>5. RECEIVABLES AND PREPAYMENTS</b>		
Prepaid expenses	-	8 304
Recoverable advances and other receivables	1 204 647	1 065 799
Income receivable	189 397	-
Sundry receivables	63 082	48 294
South African Revenue Services - Value-Added-Tax	985 265	99 112
	<u>2 442 391</u>	<u>1 221 509</u>

The receivables are neither past due nor impaired.

### 6. CASH AND CASH EQUIVALENTS

Bank balances - current account	1 175 873	246 908
Cash on hand	5 000	5 000
Short-term bank deposits:	175 485 251	101 882 726
- Designated funds	146 020 734	50 446 551
- Other funds	29 464 517	51 436 175
	<u>176 666 124</u>	<u>102 134 634</u>

The average return on these investments was 9.69% (2008: 9%). The designated funds amounting to R146 020 734 (2008: R50 446 552) may only be utilised for specific purposes.

### 7. 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 Trust, these leases are classified as finance leases.

Total liabilities	1 356 838	504 536
Less: Short term portion disclosed as trade and other payables (note 8)	( 529 290)	( 225 830)
	<u>827 548</u>	<u>278 706</u>

	Minimum payments R	Finance cost R	Present value R
<b>Reconciliation of minimum lease payments</b>			
<b>As at 28 February 2009</b>			
Less than one year	672 544	143 254	529 290
Two to five years	989 447	161 899	827 548
	<u>1 661 991</u>	<u>305 153</u>	<u>1 356 838</u>
<b>As at 29 February 2008</b>			
Less than one year	287 124	61 294	225 830
Two to five years	339 092	60 386	278 706
	<u>626 216</u>	<u>121 680</u>	<u>504 536</u>

### 8. TRADE AND OTHER PAYABLES

Accruals	1 812 160	1 202 012
Sundry creditor	76 950	11 784
Accrual for leave	716 655	594 765
Short term portion of finance lease liabilities	529 290	225 830
South-African Revenue Services- Employees' Tax	3 997 401	3 997 401
	<u>7 132 456</u>	<u>6 031 792</u>



**THE NELSON MANDELA FOUNDATION TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

	2009 R	Restated 2008 R
<b>9. DEFERRED GRANTS</b>		
Opening balance	48 581 180	39 174 551
Grants allocated to designated funds	52 286 711	35 818 736
Interest and VAT refunds allocated to designated funds	3 962 240	3 937 146
Deferred grants recognised	(45 778 249)	(30 349 253)
Closing balance	<u>59 051 882</u>	<u>48 581 180</u>
The closing balance consists of:		
Deferred income for the Trust	<u>59 051 882</u>	<u>48 581 180</u>
	<u>59 051 882</u>	<u>48 581 180</u>
<b>10. DONATIONS IN KIND</b>		
Shares donated	40	32 828 323
Fixed assets donated	-	240 170
Fair value of use of vehicles	278 640	278 640
	<u>278 680</u>	<u>33 347 133</u>
<b>11. PROJECT EXPENSES</b>		
Centre of Memory	10 109 818	10 468 268
Dialogue and Leadership Series	8 524 529	7 284 469
	<u>18 634 347</u>	<u>17 752 737</u>
Refer to Annexure B for a detailed analysis of project expenses by nature.		
<b>12. EXPENSES BY NATURE</b>		
Depreciation	1 072 286	895 655
Legal fees	777 236	842 397
Project related costs	27 223 011	13 595 840
Repairs and maintenance	385 468	238 801
Audit fees	949 024	877 197
Personnel remuneration	15 098 475	14 246 215
Loss on disposal of fixed assets	50 727	1 924
Contribution to defined contribution plan	3 671 095	3 189 887
Foreign exchange loss	906	37 791
Credit losses	-	10 667
Penalties - VAT	-	3 470
Refer to Annexure B for a detailed analysis of operating expenses by nature.		
<b>13. FINANCE COST</b>		
Interest on current account	346	-
Finance cost - finance lease liabilities	181 790	93 208
	<u>182 136</u>	<u>93 208</u>
<b>14. INCOME TAX</b>		

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.

**THE NELSON MANDELA FOUNDATION TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

	2009 R	Restated 2008 R
<b>15. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>Cash generated from operating activities</b>		
Net surplus	48 722 519	52 472 604
Adjustments for:		
Depreciation	1 072 286	895 655
Finance income	(8 849 642)	(3 207 427)
Finance cost	182 136	93 208
Dividends received	(1 129 127)	-
Loss on disposal of fixed assets	50 727	1 924
Impairment loss	15 264 126	-
	<u>55 313 025</u>	<u>50 255 964</u>
Movements in working capital:		
(Increase)/decrease in accounts receivable	(1 220 882)	( 368 712)
Increase/(decrease) in payables and deferred grants	11 267 905	10 901 483
	<u>65 360 048</u>	<u>60 788 735</u>

**16. RELATED PARTY TRANSACTIONS**

The following transactions were incurred with related parties:

Related party	Relation- ship	Nature of transaction	2009 R	2008 R
1. Avance Investment and Holding (Pty) Limited	Subsidiary	Reimbursement of expenditure	255 461	247 824
2. Avance Investment and Holding (Pty) Limited. Refer note 3 for the terms and conditions related to the loan.	Subsidiary	Interest free loan	14 537 058	14 537 058
3. 46664 Concerts (Association Incorporated in terms of Section 21)	Related to Founder	Other receivable	507 867	203 289
	Key management personnel	Donation received	(33 322 340)	-
4. 46664 Concerts UK Limited	Related to Founder	Other receivable	268 032	-
	Key management personnel			
5. The Founder	The Founder	Remuneration and employees' tax	2 907 274	3 980 212
		Reimbursement of expenditure	55 621	377 304
6. Nelson Mandela Family	Relatives of Founder	Reimbursement of expenditure	22 865	-
7. Key management personnel	Key management personnel	Remuneration	4 197 286	3 702 173
8. Key management personnel (Refer note 4 for the terms and conditions related to the donation)	Member of Board of Trustees	Donation of listed shares in Mvelaphanda Group Limited	-	(32 828 323)
		Available-for-sale investment	17 564 197	35 630 230

**17. RETIREMENT BENEFITS**

As at 28 February 2009, 39 (2008: 31) people were employed by the trust. The trust contributes to a defined contribution plan for some of the employees. The total contribution for the year amounted to R3 671 095 (2008: R3 189 887) and was charged to the income statement. The trust has no further obligation to provide retirement benefits to its employees.

**THE NELSON MANDELA FOUNDATION TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

	Payable not later than 1 year R	Payable later than 1 year R	Total payable R
<b>18. COMMITMENTS</b>			
The following contractual commitments exist at year-end:			
<b>Service providers</b>			
- Praxis	566 280	-	566 280
- Datacentrix Solutions	70 415	-	70 415
- Other commitments	480 822	-	480 822
<b>Project implementing agents</b>			
- Cool Ideas	1 157 024	-	1 157 024
- Flow Communications	214 285	-	214 285
- Shoeshoe Mohaladitoe and Associates	399 000	-	399 000
- Makhamokha Mohale	640 608	-	640 608
- K Mutuma	313 500	-	313 500
- L Nkosi	180 000	-	180 000
- Vision Africa CC	553 760	-	553 760
- Z Mathebani	152 200	-	152 200
<b>Total commitments</b>	<b>4 727 894</b>	<b>-</b>	<b>4 727 894</b>

These consist of contractual commitments relating to projects and the Centre of Memory for services to be rendered and are not recorded as a liability for this financial year. These will be funded by deferred grants and income generated in the normal course of business.

**19. FINANCIAL RISK MANAGEMENT**

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

**19.1 Market Risk**

**Interest rate risk**

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

	2009 R	2008 R
<i>Variable rate instruments</i>		
Cash and cash equivalents	176 666 124	102 134 634

*Sensitivity analysis*

An increase or decrease of one percentage in interest rates at the reporting date would have increased and decreased surplus or deficit by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	Surplus or deficit	
	2009 R	2008 R
Increase of one percentage	1 766 661	1 021 346
Decrease of one percentage	(1 766 661)	(1 021 346)

**Foreign exchange risk**

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

**THE NELSON MANDELA FOUNDATION TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

	2009 R	2008 R
<b>19. FINANCIAL RISK MANAGEMENT - continued</b>		
<b>Price risk</b>		
The Trust is exposed to equity securities price risk because of the investments classified as available-for-sale.		
Available-for-sale financial assets	17 740 197	35 630 230
<b>Sensitivity analysis</b>		
Components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale. An increase or decrease of one percentage in the listed price at the reporting date would have increased and decreased equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.		
	2009 R	2008 R
Increase of one percentage	177 402	356 302
Decrease of one percentage	( 177 402)	( 356 302)

**19.2 Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and outstanding receivables. The Trust only deals with reputable financial institutions and the maximum exposure amounts to R176 666 124 (2008: R102 134 634).

**19.3 Capital risk**

The trust's objective when managing capital is to safeguard the trust'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.

**19.4 Liquidity risk**

Sufficient cash is maintained to manage the Trust's liquidity risk. The table below analyses the Trust's financial liabilities into maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	28 February 2009		29 February 2008	
	Less than 1 year	Two to five years	Less than 1 year	Two to five years
Finance lease liabilities	672 544	989 447	287 124	339 092
Trade and other payables	5 809 561	-	5 199 413	-

**20. 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.

**21. CONTINGENT LIABILITY**

The Trust 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 339 957 (2008: R1 013 502). The possibility exists that the South African Revenue Services might waive the penalties and interest payable.

**THE NELSON MANDELA FOUNDATION TRUST**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

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**22. PRIOR YEAR ADJUSTMENT**

The Trust received a donation of listed shares as detailed in note 4 with effect from 1 February 2008. The effect on the financial statements are as follows:

	As previously stated 2008 R	Donation in kind 2008 R	Restated 2008 R
<b><i>Income statement</i></b>			
Donations in kind (note 10)	518 810	32 828 323	33 347 133
<b><i>Balance sheet</i></b>			
Available-for-sale financial assets (note 4)	-	35 630 230	35 630 230
	-	35 630 230	35 630 230

## THE NELSON MANDELA FOUNDATION TRUST

SCHEDULE OF DONATIONS RECEIVED FOR THE FINANCIAL YEAR ENDED  
28 FEBRUARY 2009

	Amount received	Amount recognised - transfer from deferred grants	Unexpended grants - Transferred to deferred grants	Net grants recognised
	R	R	R	R
<b>DESIGNATED</b>	<b>52 286 712</b>	<b>35 188 021</b>	<b>41 696 484</b>	<b>45 778 249</b>
<b>DESIGNATED TO DIALOGUE AND EDUCATION</b>	<b>22 360 126</b>	<b>5 065 593</b>	<b>11 769 898</b>	<b>15 655 821</b>
Better World Funds - Education	928 030	203 090	-	1 131 120
Australia High Commission	-	100 933	-	100 933
ICAP	356 000	-	107 210	248 790
Macsteel	-	1 191	-	1 191
Radisson SAS	-	3 914	-	3 914
Vodacom	-	2 383 392	-	2 383 392
SAP Africa	1 000 000	8 273	-	1 008 273
UNICEF	6 535 897	-	3 164 193	3 371 704
Hasso Plattner	-	1 250 328	-	1 250 328
Merck & Co	463 250	10 456	-	473 706
UNAIDS - WHO	915 457	-	337 860	577 597
Coca Cola I	-	1 086 825	-	1 086 825
GTZ GmbH	3 350 173	17 191	-	3 367 364
Friends III	6 671 822	-	6 671 822	-
De Beers International	500 000	-	8 393	491 607
ABSA Bank	1 306 911	-	1 153 821	153 090
Zain Mobile Communication	211 075	-	211 075	-
General	121 511	-	115 524	5 987
<b>DESIGNATED TO CENTRE OF MEMORY</b>	<b>29 926 586</b>	<b>30 122 428</b>	<b>29 926 586</b>	<b>30 122 428</b>
Ford Foundation II	-	10 893	-	10 893
Friends II PPE	-	1 421 221	-	1 421 221
Friends II	-	1 497 154	-	1 497 154
Friends II 32 day investment	-	13 272 715	-	13 272 715
Coca Cola Friends	-	1 829 738	-	1 829 738
Nelson Mandela Legacy Trust	-	11 989 449	-	11 989 449
Embassy of Sweden	-	101 258	-	101 258
Friends III	18 216 015	-	18 216 015	-
Coca Cola II	11 061 492	-	11 061 492	-
UNESCO	649 079	-	649 079	-
<b>OTHER (UNDESIGNATED)</b>	<b>58 141 422</b>	<b>-</b>	<b>-</b>	<b>58 141 422</b>
General	58 141 422	-	-	58 141 422
	<b>110 428 134</b>	<b>35 188 021</b>	<b>41 696 484</b>	<b>103 919 671</b>

**THE NELSON MANDELA FOUNDATION TRUST**  
**SCHEDULE OF TOTAL EXPENSES FOR THE YEAR ENDED**  
**28 FEBRUARY 2009**

	Project expenses 2009 R	Operating expenses 2009 R	Total operating expenses 2009 R	Total operating expenses 2008 R	Centre of Memory 2009 R	Dialogue 2009 R	Project expenses 2009 R	Project expenses 2008 R	Total expenses 2009 R	Total expenses 2008 R
Audit fee	-	537 780	537 780	877 197	316 431	94 813	411 244	-	949 024	877 197
Advertising, marketing and promotions	26 457	17 079	43 536	54 577	-	479 671	479 671	1 572 552	523 207	1 627 129
Bank charges	-	5 250	5 250	4 721	-	-	-	-	5 250	4 721
Courier and postage	1 631	24 243	25 874	103 202	32 941	3 758	36 699	24 950	62 573	128 152
Conference fees	141 160	-	141 160	-	-	-	-	-	141 160	-
Depreciation	-	1 072 286	1 072 286	895 655	-	-	-	-	1 072 286	895 655
Workshops and meetings	119 880	600 346	720 226	227 014	189 322	375 910	565 232	62 967	1 285 458	289 981
Office expenditure	400	123 806	124 206	156 746	74 363	21 291	95 654	657 343	219 860	814 089
Project related cost	18 493 896	1 336 289	19 830 185	934 444	2 555 922	4 836 904	7 392 826	12 661 396	27 223 011	13 595 840
Insurance	-	112 695	112 695	-	71 981	21 594	93 575	238 329	206 270	238 329
Repairs and maintenance	-	208 001	208 001	60 203	140 671	36 796	177 467	178 598	385 468	238 801
Gifts and flowers	-	18 302	18 302	500	1 506	5 412	6 918	27 736	25 220	28 236
Rates and taxes	-	115 921	115 921	202 384	62 294	19 857	82 151	-	198 072	202 384
Publications, printing and stationery	49 551	30 765	80 316	32 896	108 734	23 201	131 935	133 609	212 251	166 505
Personnel remuneration	591 255	7 020 813	7 612 068	14 245 815	5 455 608	2 030 799	7 486 407	400	15 098 475	14 246 215
Telephone and communication	2 069	413 380	415 449	201 578	432 797	99 386	532 183	1 025 483	947 632	1 227 061
Travel and accommodation	326 915	967 296	1 294 211	1 691 513	254 918	411 661	666 579	554 203	1 960 790	2 245 716
Legal fees	-	321 315	321 315	439 747	398 686	57 235	455 921	402 650	777 236	842 397
Licence fees	-	182 239	182 239	-	-	-	-	-	182 239	-
Penalty - VAT	-	-	-	3 471	-	-	-	-	-	3 471
Technical support	-	-	-	-	1 926	-	1 926	174 730	1 926	174 730
Credit losses	-	-	-	10 667	-	-	-	-	-	10 667
Rentals paid	-	13 538	13 538	-	11 718	6 241	17 959	-	31 497	-
Forex exchange losses	-	906	906	-	-	-	-	37 791	906	37 791
Loss on disposal of assets	-	50 727	50 727	1 924	-	-	-	-	50 727	1 924
Fair value of free use of vehicles	-	278 640	278 640	278 640	-	-	-	-	278 640	278 640
<b>Subtotal</b>	<b>19 753 214</b>	<b>13 451 617</b>	<b>33 204 831</b>	<b>20 422 895</b>	<b>10 109 818</b>	<b>8 524 529</b>	<b>18 634 347</b>	<b>17 752 737</b>	<b>51 839 178</b>	<b>38 175 632</b>
Finance cost	-	182 136	182 136	93 208	-	-	-	-	182 136	93 208
Fair value adjustment	-	15 264 126	15 264 126	-	-	-	-	-	15 264 126	-
<b>Total</b>	<b>19 753 214</b>	<b>28 897 879</b>	<b>48 651 093</b>	<b>20 516 103</b>	<b>10 109 818</b>	<b>8 524 529</b>	<b>18 634 347</b>	<b>17 752 737</b>	<b>67 285 440</b>	<b>38 268 840</b>

**THE NELSON MANDELA FOUNDATION TRUST**  
**MEMORANDUM OF TAXABLE INCOME FOR THE YEAR**  
**ENDED 28 FEBRUARY 2009**

	R
Royalty income per income statement	1 413 816
<b>Less:</b>	
Exemption	
5% of total receipts of R113 113 742 - limited to	(1 413 816)
<b>Taxable income</b>	<u>-</u>
 <b>SOUTH AFRICAN NORMAL INCOME TAX PAYABLE</b>	
Current tax @ 40%	<u>-</u>
<b>TOTAL TAXATION PAYABLE FOR THE YEAR</b>	<u>-</u>