



**NELSON MANDELA
FOUNDATION**

Living the Legacy

CONTENTS

PAGE 2

Message from the Founder: Mr Nelson Mandela

PAGE 4

Message from the Chairman: Professor GJ Gerwel

PAGE 6

Review by the Chief Executive: Mr AE Dangor

PAGE 9

The Nelson Mandela Centre of Memory and Dialogue: Memory Programme

PAGE 15

The Nelson Mandela Centre of Memory and Dialogue: Dialogue Programme

PAGE 21

Publications

PAGE 22

The Nelson Mandela Charities

PAGE 24

Trustees of the Nelson Mandela Foundation

PAGE 27

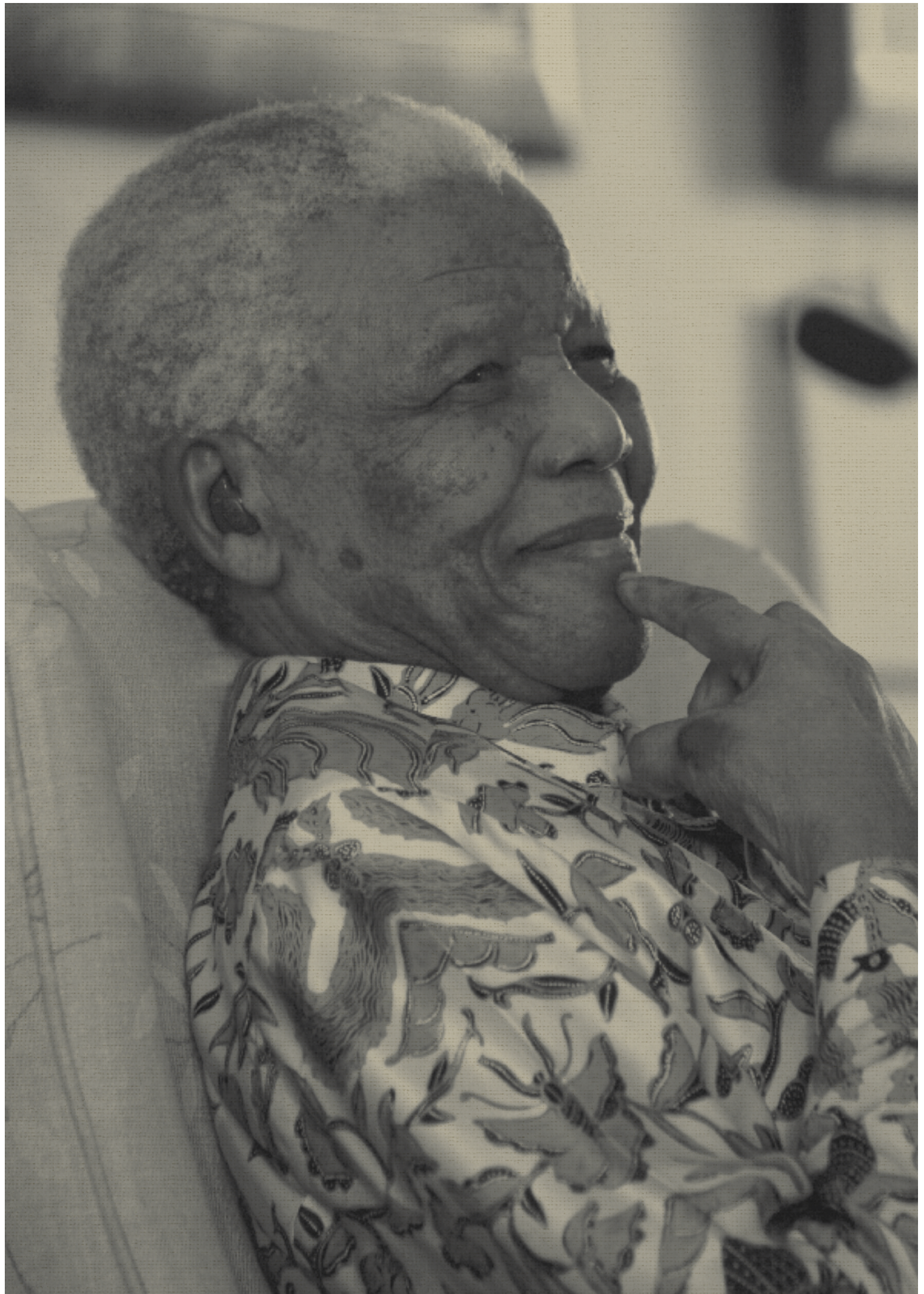
Staff of the Nelson Mandela Foundation

PAGE 29

Audited Financial Statements

PAGE 52

Donors and Supporters of the Nelson Mandela Foundation



MESSAGE FROM MR NELSON MANDELA

FOUNDER

We have travelled a long journey in 89 years. We have fought for peace and reconciliation, for social justice for all men, women and children to live together in harmony and with equal opportunities.

These are ideals I still believe in, ideals that I still live for, but the time has come to finally hand over my work to my charities: the Nelson Mandela Foundation, the Nelson Mandela Children's Fund and The Mandela Rhodes Foundation. The progress that our Foundation has made towards establishing the Centre of Memory and Dialogue allows us to retire in peace.

OUR FOUNDATION WILL CONTINUE TO BRING PEOPLE TOGETHER, AND PROVIDE A SAFE SPACE, ESPECIALLY FOR THOSE WHO DISAGREE, TO LISTEN AND TALK TO EACH OTHER

Memory is a vital force in the life of people and nations and can help unite divided societies. Our Foundation will continue to bring people together, and provide a safe space, especially for those who disagree, to listen and talk to each other.

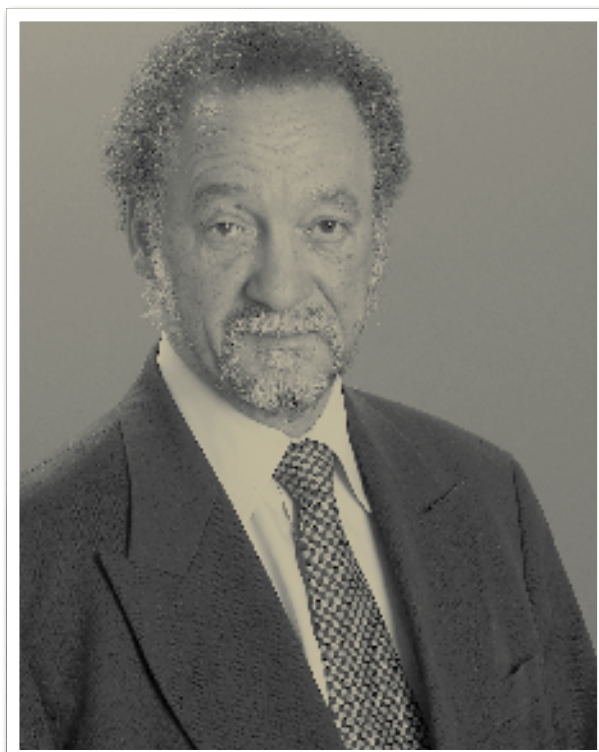
Ours has been a long journey and it is comforting to know that we have the support of many friends around the world assisting my charities. Your support will help them meet the commitment they have made to pursue a better world for all.

I thank you.

Mr Nelson Mandela

MESSAGE FROM PROFESSOR G J GERWEL

CHAIRMAN OF THE BOARD OF TRUSTEES



PROFESSOR G J GERWEL
CHAIRMAN OF THE BOARD OF TRUSTEES

The year under review marks the first of a five-year transitional plan adopted by the Nelson Mandela Foundation in November 2006. The key objective is to establish a world-class Nelson Mandela Centre of Memory and Dialogue as the Foundation's core work.


Exceptionally good progress was made during this first implementation phase. Two highly experienced professional teams have been assembled to support the line functions that constitute the Centre of Memory and Dialogue.

We are also making great strides in the archiving of historic material entrusted to the Centre by our Founder, Nelson Mandela. The "Memory" team has furthermore succeeded in identifying important holdings elsewhere and will in the coming years seek to reach agreement with other institutions on mechanisms to ensure that this material is made available to the entire world.

Most notably, the Foundation's website has become a dynamic and expanding information resource on the life and times of Nelson Mandela. The website is now well positioned to be developed into a multi-level memory and dialogue portal reaching global audiences effectively.

The Dialogue Programme also made excellent progress in defining the parameters of an effective programme. In a complex and still evolving democracy like ours, the line between promoting dialogue and engaging in political advocacy is often blurred. That the "Centre" succeeded in providing a safe space where true dialogue can take place is a sign that the Foundation is maturing as an institution and also that the environment in which it functions is capable of embracing open debate.

The Nelson Mandela Annual Lecture, an address by former United Nations Secretary General Kofi Annan, remained the flagship event of the Dialogue Programme. Mr Annan's address was at once thought-provoking about the challenges Africa faces



as a continent, and celebratory of progress that has been made.

The Founder's Office continued to provide Mr Mandela with outstanding service. Even though his continued withdrawal from public life was evident during the year under review, the demands on him were still huge, in volume and complexity. Of course, in dealing with all of these requests, the Founder's Office was able to draw on the services of other Foundation functions. This, too, is a sign of an organisation becoming increasingly integrated and capable of focusing on its core work.

SPECIAL THANKS TO OUR NUMEROUS SUPPORTERS AND DONORS FOR HELPING US CREATE THE BASIS FOR A SUSTAINABLE ORGANISATION

Huge challenges still lie ahead. The Foundation needs to continue its exit from all its previous grant-making and programme implementation commitments. Also, staff functions and foci need to be fully aligned with our core work. Managing change on the scale and intensity that the Nelson Mandela Foundation has set will inevitably prove challenging and stressful. I am confident that the Foundation's staff, led by the CEO, Achmat Dangor, will continue to pursue the path we have chosen with enthusiasm and efficiency.

Special thanks to our numerous supporters and donors for helping us create the basis for a sustainable organisation. They can rest assured that their efforts have contributed to the emergence of an organisation better equipped to articulate Nelson Mandela's values and to promote his legacy. I am also grateful to the Board and the Advisory Council for their dedication and wise counsel, as well as to our sister organisations for their support.

Finally, I can reassure our Founder that he can enjoy the rest and peace of his retirement with confidence. His continuing work is in the competent hands of the Foundation and its sister organisations.

REVIEW FROM MR A E DANGOR

CHIEF EXECUTIVE OF THE FOUNDATION



MR A E DANGOR
CHIEF EXECUTIVE OF THE FOUNDATION

Our Chairman, Professor Gerwel, has already pointed out in his message that the Nelson Mandela Foundation (NMF) has made exceptional progress in the implementation phase of the NMF's strategic decision to establish the Centre of Memory and Dialogue as its core work.


Indeed, it is with great satisfaction that we point to the focused manner in which the NMF has pursued the strategic goals set out in the 2006 business plan that is our short-term framework until 2011. We are mindful though that there is no room for complacency in the years ahead. Transforming an organisation with a rich but extremely varied portfolio of activities into a focused "memory" institution, underpinned by a dialogue programme with aspirations to becoming a major catalyst for achieving social cohesion, is a daunting task. This review is intended to summarise progress made in key areas, and to highlight the challenges that lie ahead.

The Memory Programme

As Verne Harris, the highly respected Head of the Centre of Memory, puts it: "The Mandela Archive is infinite, fragmented, and scattered both geographically and institutionally."

The NMF has resisted the temptation to claim ownership over this vast historic asset simply because our Founder, Nelson Mandela, is at the heart of much of the material. The NMF has started playing a "convening" role in an effort to promote the kind of partnerships that will ensure the material is objectively archived, shared by various stakeholders and made available to the world.

The papers and memorabilia that Mr Mandela formally donated to the Centre of Memory during the past year comprise a truly historic collection. However, it will become part of an infinitely enriched mosaic when it is finally linked with collections elsewhere in South Africa and internationally.



The Memory Programme has also mounted a number of important exhibitions that depict the life and times of Nelson Mandela and his contemporaries. It now has the capacity to create travelling exhibitions, thereby extending access to audiences both locally and abroad.

Research and records management capacity was significantly enhanced. The NMF received hundreds of requests for historical data and information about Mr Mandela, as well as requests to use his intellectual property. Response time and the quality of these responses rapidly improved during the year under review. Our objective is to establish and maintain capacity that is on a par with world-class institutions.

The Dialogue Programme

The year under review was very much a formative one for the Programme. It initiated a far-reaching, consultative research process, soliciting the views of a wide range of stakeholders in an attempt to shape a dialogue methodology that is both inclusive and effective in bringing people together around critical social issues. It ultimately became evident that “dialogue for social justice” is a much contested terrain.

Under the very able leadership of Mothomang Diaho, the Dialogue Programme therefore implemented a “demand driven” agenda, providing a “safe” physical and intellectual space for a number of critical conversations. These included “Malibongwe” (the role of women, historically and in today’s South Africa), “AIDS and Leadership” at the June 2007 Durban AIDS Conference, Conversation between Science and Media (exploring ways that the AIDS epidemic could be made more explicable to all South Africans) and a Round Table on Human Rights.

Youth Community Dialogues and the “Caring Schools” Dialogue series took place within community settings. This was an important initiative and could become the core of the NMF’s Dialogue Programme in the future.

Professor Gerwel mentioned the success of the Nelson Mandela Annual Lecture, addressed by former United Nations Secretary General, Kofi Annan.

Publications

Both the Memory and Dialogue Programme events gave rise to a series of landmark publications. The publications are described in more detail elsewhere in this report. It is sufficient to say that the 07/2008 Programme laid the foundation for what will become an important element of the NMF’s public education and outreach.

THIS AUGURS WELL FOR
THE PROSPECTS OF NELSON
MANDELA’S WORK BEING
CARRIED ON EFFECTIVELY
WELL BEYOND HIS OWN
LIFETIME

Strategic Partnerships

The relationship between the Mandela “family” of organisations¹ continued to strengthen; institutional division of labour became much clearer to outside observers. This augurs well for the prospects of Nelson Mandela’s work being carried on effectively well beyond his own lifetime.

The NMF has also started forging other alliances with organisations that share its particular focus.

1. The Nelson Mandela Foundation, the Nelson Mandela Children’s Fund, The Mandela Rhodes Foundation, the Nelson Mandela Institute for Education and Rural Development and the 46664 Campaign.

Worthy of note is the memorandum of understanding signed with the Museum of African Art to establish a Nelson Mandela Centre of Memory “window” at its prestigious new premises soon to be constructed in New York City’s “museum mile” on 5th Avenue, Manhattan.

Resources

Thanks to our generous donor partners is echoed here for their support. We are grateful to those who helped the NMF make a solid start towards the building of an endowment as well as those who financed our programmes. The predictable manner in which the funds were made available greatly facilitated our planning. All our donors are listed in our ‘Donors and Supporters’ page elsewhere in this report. Of course, much work still needs to be done to achieve the goal of creating an independent organisation capable of promoting Nelson Mandela’s legacy.



THE NELSON MANDELA FOUNDATION
107 CENTRAL STREET, HOUGHTON, JOHANNESBURG

Into the Future

As we enter the next two crucial phases – consolidation followed by expansion – the Nelson Mandela Foundation’s Centre of Memory and Dialogue will need the continued support of its dedicated staff, its visionary Board and Advisory Council, its auditors, donors, sister organisations and strategic partners. We thank all these valuable stakeholders for their contributions to the strides we have made, and know they will accompany the Foundation on the “long walk” still ahead.



THE NELSON MANDELA CENTRE
OF MEMORY AND DIALOGUE

MEMORY PROGRAMME

THE NELSON MANDELA CENTRE OF MEMORY AND DIALOGUE

MEMORY PROGRAMME

The Nelson Mandela Foundation (NMF) was established in 1999 to support Mr Mandela's post-Presidential work. Its core work is that of the Nelson Mandela Centre of Memory and Dialogue, which contributes to the making of a just society by promoting the vision, values and work of its Founder. It also convenes dialogues around critical social issues, while continuing to provide support to its Founder.

By establishing an accessible world-class archival resource on the life and times of Nelson Mandela, and by promoting dialogue around critical social issues, the Centre of Memory and Dialogue seeks to contribute to South Africa's political, social and cultural transformation.

Memory resources documenting the life and times of Nelson Mandela are to be found in an extraordinary range of locations, both within South Africa and internationally. The Memory Programme:

- Locates, documents and ensures the preservation of these scattered resources;
- Collects and curates Mr Mandela's personal archive;
- Promotes public access to these resources and fosters dialogue around them; and
- Ensures that all initiatives in the name of Nelson Mandela are true to his legacy.

Since the significance of Memory lies in its use, the Memory Programme seeks to reach both global audiences and those systemically disadvantaged within South Africa, through outreach programmes, including travelling exhibitions, books, a comic series, and internships. It also provides web-based access to information; supports digitisation initiatives designed to broaden access to resources; and facilitates research by individuals and institutions.

We believe that the vehicle for sharing memory effectively, for growing it, and for engaging it in the promotion of justice, is dialogue. We actively

open, to discussion and debate, our memory work on the life and times of Nelson Mandela and the events and the people he influenced or was influenced by. And we draw on this memory work in convening dialogue on critical social issues that present a threat to justice in society.

The Virtual Archive

Unlike most conventional archives, the Centre of Memory and Dialogue is not restricted to the custody of physical collections. The Mandela Archive is infinite, fragmentary, and scattered both geographically and institutionally. It is neither the intention of the Centre, nor its mandate, to bring all these materials into a single physical collection. The imperative is to document this vast resource, facilitate access to it, and promote its preservation and use.

Web-based Technology

The Centre has conceptualised a multi-layered virtual archive (portal) accessible through the Foundation's website. Considerable work was done to find a new website service provider, on the collaborative design of a new site architecture, and on developing new content. The website (www.nelsonmandela.org) was publicly relaunched at the Nelson Mandela Annual Lecture in July 2007 and subjected to intense and continuous development, with weekly additions, increased interactivity and user monitoring, resulting

in considerable expansion of its reach. The site is now overseen by a committee which meets monthly. Moreover, in order to ensure that the site can cope with traffic surges, especially from the Northern Hemisphere, the site server was relocated to Germany.

Databases and Research

A range of research work documented local and international resources relating to Mr Mandela. Team members visited Ottawa and Toronto (Canada), Dublin (Ireland), London (England), Dar es Salaam and Kivukoni (Tanzania), and the Eastern and Western Cape (South Africa). Content review resulted in better quality control and generation of a research agenda. We enhanced and updated the databases for the collections of Mr Mandela's gifts and awards, the resource centre materials, Mr Mandela's speeches, and a comprehensive Mandela Bibliography. The latter was web-enabled. The website's "Mandela Biography" was updated, new "Tributes" and "Quotations" resources added, and preliminary work was done on a Mandela family tree.

ICT Management

In February 2007 responsibility for ICT management was formally delegated to the Memory Programme. An independent ICT audit enabled us to identify and address issues requiring priority intervention. By year-end the website had been substantially upgraded and capacity secured for dealing effectively with frequent power failures. Crucially, a five-year strategic plan for ICT was adopted by the Board, and its first phase implemented during the last quarter of the report period. The plan seeks to support both long-term archival and short-term information management needs.

Collections

Despite the fact that the Centre of Memory and Dialogue is not primarily a collecting endeavour, substantial and invaluable collections are being built up. The gift and award collections continued to grow; more Foundation organisational records



NATIONAL SYSTEM, PUBLIC INTEREST
NATIONAL CONFERENCE HOSTED BY THE NELSON MANDELA FOUNDATION



EXHIBITION: *MAKING PEACE*



EXHIBITION: *466/64: A PRISONER WORKING IN THE GARDEN*

were added to the archive; Zindzi Mandela donated certain private papers; photographer Peter Magubane committed a collection of his work; and the Presidency transferred records not belonging in the custody of the state.

The focus for the report period remained in the following three areas: the legal status of collections; an assessment of Mandela House as a physical home for the Centre of Memory and Dialogue; and targeted processing interventions. In respect of these areas, the following was achieved:

- Mr Mandela formally donated (via a deed of donation with item-level listings) materials he had previously lodged informally with the Centre;
- A security review of Mandela House was initiated;
- An intern from the University of Toronto undertook a major upgrading of the storage facility for gifts and awards;
- The potential offered by dispersed physical Centre “windows” was explored;
- Enhanced listings of materials acquired from other sources were developed;
- A preliminary sorting of photographic resources was implemented;
- A guide-level listing of repository holdings was executed;
- Donation letters, release forms, loan agreement forms, and a draft Archives Policy and Procedure was developed;
- An inventory of all uncatalogued resource centre materials was prepared;
- Work on the speeches database continued;
- The Mandela bibliography and chronologies were regularly updated; and
- A resource centre needs assessment was conducted.



MADIBA HEALDTOWN CLASS PHOTOGRAPH
NELSON MANDELA, FIFTH FROM RIGHT, BACK ROW



USING THE PAST FOR THE FUTURE
THE USE OF MEMORY CONTINUED TO BE USED AS A SPRINGBOARD FOR DIALOGUE, OFTEN ABOUT DIFFICULT SUBJECT MATTER



EXHIBITION: CAPE TOWN BOOK FAIR
MANDELA COMIC EXHIBITION



EXHIBITION: *MADIBA: PUBLIC AND PRIVATE*

Exhibitions

The Memory Programme continued to generate exhibitions and to test different partnerships, models and audiences. The Programme now has the capacity for a sub-programme of travelling exhibitions.

During the review period, the Programme accomplished the following exhibitions:

- The Centre's first exhibition, *466/64: A Prisoner Working in the Garden*, launched jointly with the National Archives, was successfully incorporated as a permanent feature of the Constitution Hill precinct, and was located in the "Mandela Cell";
- In partnership with Umlando Wezithombe, the Programme created an exhibition showcasing the Madiba Legacy Series of comic books. In the report period it was offered to the public at the Cape Town Book Fair, Klerksdorp, and at the 2007 IFLA Conference in Durban;
- *Making Peace*, a representation of Mr Mandela's relationship and work with Chief Albert Luthuli, was launched at Mandela House in July 2007. In February 2008 it was moved to the University of Fort Hare Library;
- *Madiba: Public and Private* was on display at the Youth Centre in Qunu throughout the report period, as was a small exhibition of Mandela Archives at the Red Location Museum in Port Elizabeth.

Considerable preliminary work was done on two other exhibitions. A major new retrospective exhibition on the life and work of Mr Mandela will be launched in partnership with the Apartheid Museum in late 2008. This exhibition will be made available for international travel. And the exhibition *Parenting A Nation: Walter and Albertina Sisulu*, curated in partnership with the Sisulu family and the Walter Sisulu Paediatric Cardiac Centre, will be launched at Mandela House in March 2008.

THE PROGRAMME NOW HAS THE CAPACITY FOR A SUB-PROGRAMME OF TRAVELLING EXHIBITIONS

Research Support

During the report period the Memory Programme fielded many hundreds of enquiries about Mr Mandela, archival sources, access to materials, and use of Mr Mandela's intellectual property. The Programme is now close to constituting a one-stop shop for all such enquiries, whatever their origin. The Programme also provided research support to Mr Mandela's office and to his speechwriters.

Intellectual property (IP) queries became so numerous and raised so many challenging questions that the Programme was asked to convene an IP workshop for Foundation staff presented by Edward Nathan Sonnenbergs

(ENS). This was followed up by a series of ENS legal opinions designed to provide the Foundation with a secure policy framework for the function.

Major publications (some still forthcoming) which benefited from the Programme's dedicated research resource in 2007-8 were: *Mandela: The Authorised Portrait* (second edition, forthcoming), *Mandela in America* (New Africa Books, forthcoming), a children's version of *Long Walk to Freedom* (Macmillan, forthcoming), an authorised biography of Sir Seretse Khama, new documentaries on Mr Mandela by a range of film and television media (including a short documentary screened at the unveiling of the new statue of Mr Mandela in London), Anant Singh's film version of *Long Walk to Freedom*, a new short biography of Mr Mandela by Oxford University Press (forthcoming), Alf Kumalo's forthcoming memoirs, and Mark Gevisser's biography of President Mbeki.

Preliminary work on three special research projects was undertaken. A new version of the summary of Mr Mandela's prison files, housed in the National Archives, was produced. This informed preparation for a major research, analysis and digitisation project planned now for 2009-10. Research consultants have begun preparation of detailed listings of films and documentaries relevant to Mr Mandela's life and work. And a project documenting the Ahmed Kathrada collection at the Mayibuye Archives was scoped.

Records Management

Sound records management policies and practices are of inestimable value. This is especially so in the case of the Foundation, for its current records and related information resources have the potential for becoming resources in the Centre of Memory and Dialogue.

The Foundation's records systems were brought under integrated management and assigned to the Memory Programme. The organisational filing plan was



EXHIBITION: 466/64: A PRISONER WORKING IN THE GARDEN



THE MANDELA COMIC SERIES WAS COMPLETED THIS YEAR

overseen and maintained, compliance with the electronic records management programme was monitored, support was provided to both paper-based and electronic back-filing exercises, Foundation staff were trained in records management, and appropriate IT support was ensured. A new workflow electronic records application was implemented to ensure effective management of routine correspondence.

Visits to view the Foundation's records management systems were received from the Nelson Mandela Children's Fund, the South African Human Rights Commission, the University of the Witwatersrand and the Tanzanian National Archives. In turn, Programme staff viewed the systems of the Presidency.



THE NELSON MANDELA CENTRE
OF MEMORY AND DIALOGUE

DIALOGUE PROGRAMME

THE NELSON MANDELA CENTRE OF MEMORY AND DIALOGUE

DIALOGUE PROGRAMME

The Dialogue Programme

Our Founder, Nelson Mandela, based his entire life on the principle of dialogue, the art of listening and speaking to others, which is also the art of getting others to listen and speak to each other. The Centre of Memory and Dialogue encourages people to enter into dialogue – often about difficult subjects – in order to address the challenges we face today.

Dialogue is recognised globally as a tool to address, and hopefully resolve, the differences that fuel conflict in the first place. It is a democratic method aimed at resolving problems through mutual understanding and concessions. It is also the means through which we engage with partners and stakeholders. Bringing people together is not enough; it must result in sustainable changes and produce results.

Therefore, the Dialogue Programme works to bring about meaningful conversations among all relevant stakeholders. Drawing on the rich traditions of transformative dialogue, problem-solving and social renewal that made South Africa's remarkable transition possible, we aim to facilitate greater understanding and awareness about the problems faced by people, particularly in South Africa and Africa, and the possible solutions available to them.

Madiba Way Research

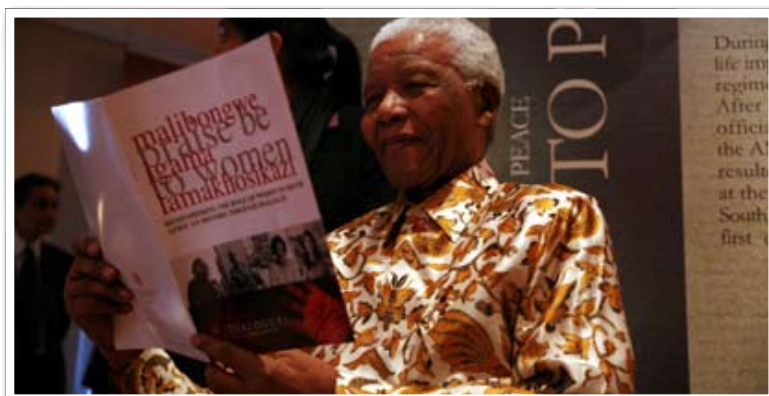
Defining a Dialogue Methodology

The Madiba Way research process exploring the example of Mr Mandela's legacy took place from January to August 2007. Service providers were engaged to develop a methodology for the Dialogue Programme, to convene a dialogue on key social issues identified through interviews, and then to develop an implementation plan for the Dialogue Programme. The process recommended in November 2007 that the Dialogue Programme should promote

rather than merely convene dialogue. It also recommended that the Foundation deepen and expand its understanding of the relationship between "Memory" and "Dialogue". It further proposed that the Foundation embrace a framework of responsibility, hope, equality and respect.

The Malibongwe Dialogue

The Malibongwe Dialogue, involving mainly women stalwarts of South Africa's liberation struggle and younger activists, was held at Mandela House in May 2007. It was linked to the photographic exhibition entitled *Malibongwe* (curated by the Memory



EXHIBITION AND DIALOGUE: *MALIBONGWE*

Programme). It provided space for struggle veterans to articulate and share the stories of their role in South Africa's liberation. Some of the experiences discussed included the anti-pass protest march of 20 000 women on August 9, 1956; work undertaken in building anti-apartheid organisations; periods in prison as well as tales of working in the underground movement.



DEBATING THE CHALLENGES OF HIV/AIDS
THE FOUNDATION HOSTED A DIALOGUE AT THE 3RD SOUTH AFRICAN AIDS
CONFERENCE IN DURBAN IN JUNE 2007

Delegates also discussed some of the more current challenges being tackled in South Africa, such as violence against women, gender inequity and HIV/AIDS. This focus on a relatively neglected part of South Africa's history led to ideas about establishing an annual dialogue to explore critical issues affecting women.

The Third South African AIDS Conference

The Dialogue Programme, in partnership with UNAIDS and the Human Sciences Research Council, hosted a satellite session at the June 2007 AIDS conference, in Durban, South Africa. Facilitated by NMF Chief Executive Achmat Dangor, it focused on the critical role of effective leadership in the response to HIV/AIDS, as well as ways to ensure accountability for commitments made. Panellists were: Dr Peter Piot, Executive Director of UNAIDS; Prof Alan Whiteside, Executive Director of the Health Economics and HIV/AIDS Research Division of the University of KwaZulu-Natal, HEARD; Desiree Daniels, Executive Manager of Metropolitan Holdings Ltd AIDS Unit; and Zackie Achmat, Chairperson of the Treatment Action Campaign.

The discussion reflected on critical issues such as what drives the epidemic, the identification of available resources and leadership in the campaign against the spread of the epidemic. Ideas were exchanged about how to increase and improve prevention campaigns, treatment and care. It also



FIFTH NELSON MANDELA ANNUAL LECTURE
MR NELSON MANDELA AND MR KOFI ANNAN SHARE A MOMENT

looked at a long-term agenda and investment for an AIDS-free generation.

As a result of this dialogue the Foundation was asked to convene a two-year initiative, "aids2031" to review the state, in the last 25 years, of hyper-endemic countries in Southern Africa.

Fifth Annual Nelson Mandela Lecture 2007

The Nelson Mandela Annual Lecture is the centrepiece of the Dialogue Programme's calendar. The fifth lecture in the series was delivered before 1 500 invited guests by former United Nations Secretary General Kofi Annan on July 22, 2007 at the Linder Auditorium on the Education Campus of the University of the Witwatersrand in Johannesburg.

THE LECTURE RECEIVED WIDE MEDIA COVERAGE AND WAS TELEVISED LIVE THROUGHOUT AFRICA

Mr Annan used the occasion to present, to a South African and African audience, his views on security, development and human rights, amongst others. The lecture received wide media coverage and was televised live throughout South Africa and Africa by South Africa's national broadcaster, the SABC.

Youth Community Dialogues

Nine Youth Community Dialogues, one in each province of South Africa, were held in partnership with the 46664 AIDS awareness and prevention campaign. At these events young people watched a provocative and age-appropriate piece of theatre after which they were encouraged to discuss, raise questions and problems, and to suggest solutions around HIV/AIDS in their communities.

Young South Africans living in poor communities engaged in meaningful dialogue about HIV/AIDS and how to prevent it. They also discussed some of the issues that drive the epidemic such as stigma, substance abuse, and the growing trend of “sugar daddies” who entice young girls to engage in sexual activities in return for material goods such as fashionable clothing and gifts.

A mural was painted on a public wall after each event, recording the personal commitments to preventing the spread of HIV/AIDS made during the dialogue by the participants. The series of dialogues was a precursor to the 46664 concert in Johannesburg on December 1, 2007, World AIDS Day.

“Caring Schools” Dialogue

A dialogue was convened in the Free State province of South Africa in November 2007 to discuss how rural schools could care for children made vulnerable by poverty, HIV/AIDS and other causes. It came out of a “Caring Schools” model developed from 25 Free State schools by Save the Children UK at the request of the NMF in 2006. The initiative arose out of an assessment of the impact of HIV/AIDS on the educational sector in the province, which was conducted by the Free State Department of Education. The dialogue was attended by representatives of government, civil society, schools and communities, and included a discussion of best practice in schools and a review of success stories for future application. The participants accepted an abstract on “Caring Schools” for presentation at the AIDS Conference in Mexico, August 2008.

Human Rights Lecture and Round-Table Discussion

To commemorate International Human Rights Day, and to join in the year-long run-up to the 60th anniversary of the Universal Declaration of Human Rights, the Foundation convened a dialogue on the state of human rights in South Africa and Africa. It



DIALOGUE: COMMUNITY CONVERSATION IN PROGRESS

YOUNG SOUTH AFRICANS LIVING IN POOR COMMUNITIES ENGAGED IN MEANINGFUL DIALOGUE ABOUT HIV/AIDS AND HOW TO PREVENT IT



HUMAN RIGHTS LECTURE AND ROUND-TABLE DISCUSSION

was co-hosted with the South African Human Rights Commission and the United Nations Office of the High Commission on Human Rights in December 2007 in Johannesburg.

The keynote address was given by Commissioner Bahame Tom Nyanduga, the UN's Special Rapporteur on Refugees, Asylum Seekers, Migrants and Internally Displaced Persons in Africa, who works with the African Commission on Human and People's Rights. What followed was a panel discussion with Raenette Taljaard, Director of the Helen Suzman Foundation; Jacqueline Nzoyihera of the Office of the United Nations High Commissioner for Human Rights; Jody Kollapen, Chairperson of the South African Human Rights Commission; and Achmat Dangor, CE of the NMF. A delegation from southern Sudan was present, along with other invited guests from South Africa.

Memory Dialogues

A range of informal dialogues, emanating from the

Centre's archival resources, was conducted with stakeholder institutions during the year under review. New working relationships were established, while those already in place were expanded and enhanced. A strong element of advocacy emerged in the dialogues convened over the period.

A RANGE OF INFORMAL DIALOGUES WAS CONDUCTED WITH STAKEHOLDER INSTITUTIONS

April 2007: A two-day national conference entitled National System, Public Interest was held in partnership with the National Archives and the University of the Witwatersrand. The conference considered South Africa's national archival system 10 years after the introduction of enabling legislation in 1997.

June 2007: A series of four mini-dialogues was run from the Foundation's stand at the Cape Town Book Fair.

July 2007: A Conversation with Bill Clinton was hosted by the Centre of Memory and Dialogue, as part of the launch of a new exhibition at Mandela House in Johannesburg.

July 2007: The Programme Manager participated in a dialogue on records of oppression with the German Federal Commissioner Ms Marianne Birthler, under the auspices of the Institute for Justice and Reconciliation in Cape Town.

September 2007: Members of both the Memory and Dialogue programmes visited Dar es Salaam to engage the Tanzanian Government in a dialogue around centres of memory. This was requested by Tanzanian Government partners in support of their own centre of memory project designed to commemorate their country's founders.



VISITORS PERUSE THE *MALIBONGWE* EXHIBITION



EXHIBITION AND DIALOGUE: *MALIBONGWE*



DIALOGUE: HUMAN RIGHTS DAY DISCUSSION

PUBLICATIONS

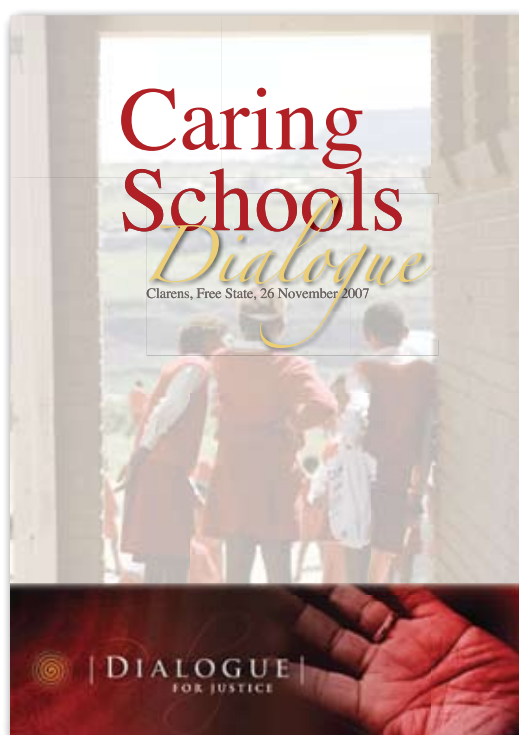
The Memory Programme's publications endeavour was focused on:

- The Madiba Legacy Series of comic books. This is a partnership between the Foundation and comic publisher Umlando Wezithombe. The first six comics in the series had been published before 2007-8, and in this report period the series was brought to a close with the final two comics. We then moved immediately into the project's next phase – publication of a compilation book in partnership with Jonathan Ball Publishers. The book will be entitled *Nelson Mandela: The Authorised Comic Book*, and is due for publication in July 2008.
- In partnership with author Anna Trapido and the publishers Jacana, the Programme proceeded with a book entitled *Hunger for Freedom: The Story of Food in the Life of Nelson Mandela*. It is also due for publication in July 2008.
- The Foundation's book *A Prisoner in the Garden: Opening Nelson Mandela's Prison Archive*, published in partnership with Penguin South Africa in November 2005, continued to sell well internationally.
- Programme Manager Verne Harris, in partnership with the Society of American Archivists, published the book *Archives and Justice: A South African Perspective*. This book offers a detailed interrogation of the concept underpinning the Programme's work, namely, "memory for justice".

The Dialogue Programme produced a range of booklets about its work which are distributed free

of charge to relevant organisations and which are also all available to be downloaded from our website, www.nelsonmandela.org. These publications included:

- *Youth in Dialogue*: The Youth Community Dialogues were held in Mthatha, Eastern Cape; Thaba Nchu, Free State; Soshanguve, Gauteng; KwaMakhutha, KwaZulu-Natal; Giyani, Limpopo; Mhluzi, Mpumalanga; Lerome, North West; Galeshewe, Northern Cape; and KwaLanga, Western Cape, in November 2007;
- *Dignity and Justice for All*: The text contained in this booklet is an edited version of transcripts of the Human Rights Lecture and Roundtable Discussion on Dignity And Justice For All Of Us: 60th Anniversary of the Universal Declaration of Human Rights, which took place on December 10, 2007 at the South African Human Rights Commission in Johannesburg, South Africa.



- *Caring Schools Dialogue*: On November 26, 2007, the NMF convened a multi-stakeholder dialogue in Clarens, Free State. The booklet is an edited version of this event. Representatives from government, civil society, schools and the community came together to share lessons on implementing a caring schools model for orphans and vulnerable children.
- *The Nelson Mandela Annual Lecture, 2003-2006*: This booklet, published in July 2007, consolidates the four Nelson Mandela Annual Lectures delivered to date and demonstrates the diverse views of the four eminent lecturers.

THE NELSON MANDELA CHARITIES



NELSON MANDELA
FOUNDATION

Living the Legacy



Nelson Mandela
CHILDREN'S FUND



CHANGING THE WAY SOCIETY TREATS ITS CHILDREN AND YOUTH



IN ADDITION TO OUR TWO ESTABLISHED SISTER CHARITIES, THE NELSON MANDELA CHILDREN'S FUND AND THE MANDELA RHODES FOUNDATION, TWO OTHER KEY INSTITUTIONS EMERGED FROM WITHIN THE NELSON MANDELA FOUNDATION AS IT CHANGED FOCUS.



NELSON MANDELA
Institute for
EDUCATION AND
RURAL DEVELOPMENT

The Nelson Mandela Institute for Education and Rural Development, established in partnership with the University of Fort Hare and government, aims to contribute to the upliftment of rural communities by stimulating the development of vibrant rural communities and rural institutions. The headquarters of the Nelson Mandela Institute for Education and Rural Development are at the University of Fort Hare, Nkuhlu Building, 41 Church Street, East London, in South Africa.



46664, which carries Nelson Mandela's prison number to exemplify the human ability to overcome even the most daunting of circumstances, is a South African-based independent, not-for-profit organisation. It focuses on HIV awareness and prevention globally - "an African response to a global problem". Though wholly owned by the Nelson Mandela Foundation, it functions under the guidance of an independent Board of Trustees. 46664 is headquartered at Mandela House, 107 Central Street, Houghton, Johannesburg, in South Africa.



FRIENDS OF THE
NELSON MANDELA FOUNDATION
UNITED STATES OF AMERICA

The Nelson Mandela Foundation receives tremendous support from supporters and donors based in the United States of America. A year after the Foundation's inception in 1999, a US-based affiliate was established in accordance with the requirements determined by US Inland Revenue. Friends of the Nelson Mandela Foundation is based in Seattle, Washington.

TRUSTEES OF THE NELSON MANDELA FOUNDATION

PROFESSOR JAKES GERWEL

Jakes Gerwel is Chancellor of Rhodes University, Distinguished Professor in the Humanities at the University of the Western Cape, Honorary Professor in the Humanities at the University of Pretoria, and Chairman of the Human Sciences Research Council. He was Vice-Chancellor and Rector of the University of the Western Cape from 1987 to 1994. From May 1994 to June 1999 he served as Director-General in the Office of President Mandela and Secretary of the Cabinet in the Government of National Unity. He is presently a non-executive director of Naspers and Old Mutual. He is a non-executive chairman of Africon Engineering International, Brimstone Investment Corporation, Life Healthcare, South African Airways and Media 24. He chairs the Boards of Trustees of the Nelson Mandela Foundation, The Mandela Rhodes Foundation, and the Allan Gray Orbis Foundation and is vice-chairman of the Peace Parks Foundation.

MR AHMED KATHRADA

Ahmed Kathrada is a veteran anti-apartheid activist who was jailed for life on June 12, 1964, with Nelson Mandela and six others. Released on October 15, 1989, he went on to become a Member of Parliament after South Africa's first democratic elections in 1994. He served one five-year term during which he also acted as Mr Mandela's Parliamentary Counsellor. Mr Kathrada was Chairperson of the Robben Island Museum Council from its inception until his term expired in 2006. The author of four books, Mr Kathrada is also the recipient of four honorary doctorates and Isitwalandwe/Seaparankwe, the highest award the African National Congress can bestow on an individual.

MR CHRIS LIEBENBERG

Mr Chris Liebenberg is a banker and former Minister of Finance in the Government of National Unity, appointed in 1994. He was the Chief Executive Officer and Chairman of the Nedcor Group. He is also a Member of the Advisory Board for the Nelson Mandela Children's Fund, a trustee of the Nelson Mandela Foundation and a non-executive director of the Macsteel Group of companies. His academic qualifications include CAIB (SA), Advanced Management Programme from Insead in France and Harvard University in the United States and Programme Management Development from the University of Cranfield. He also holds an Honorary Doctorate of Commerce from the University of Stellenbosch.



MRS IRENE MENELL

Irene Menell is actively involved in a number of public benefit organisations and serves on the Boards of the Nelson Mandela Children's Fund, the Nelson Mandela Foundation, the Institute for the Advancement of Journalism, the READ Foundation, and the Human Rights Institute of South Africa, among others. She is the Patron of Tikkun and a past member of the Broadcasting Monitoring and Complaints Committee, a statutory sub-committee of ICASA, as well as the UCT Foundation, of which she was Chair until retiring in 2008. She has had a life-long interest in the performing arts, education and issues relating to children's rights.

DR NTHATO MOTLANA

In 1952 Nthato Motlana was arrested and stood trial with Mr Mandela and others for taking part in the Defiance Campaign. On completing his BSc he registered for a medical degree at Wits University and by 1957 he was one of two black general practitioners operating in Soweto. He was a founding member of the Committee of Ten and later chaired the Soweto Civic Association, remaining active in resistance politics throughout the 1980s. In 1993, he and others formed Corporate Africa, a consortium which later became the investment holding company New Africa Investment Limited. In 2005 he was named as the Business Times 2005 Lifetime Achievement Award winner. He is now retired and serves as a trustee of the Nelson Mandela Foundation and the Nelson Mandela Children's Fund.

PROFESSOR NJABULO NDEBELE

Njabulo Ndebele is the immediate past Vice-Chancellor of the University of Cape Town. He was a Ford Foundation Scholar-in-Residence, Vice-Chancellor and Principal of the University of the North, and Vice-Rector of the University of the Western Cape. He held leadership positions at the University of the Witwatersrand and the National University of Lesotho. An award-winning author, he has served as President of the Congress of South African Writers. He holds several honorary doctorates and is a UCT Fellow. He chaired the South African Universities Vice-Chancellors' Association and is President of the Association of African Universities.

DR MAMPHELA RAMPHELE

Mamphela Ramphela is the Executive Chair of Circle Capital Ventures, a Cape Town-based black economic empowerment company, and a director of many major companies. She served as a Managing Director of the World Bank from May 2000 to July 2004. Dr Ramphela was Vice-Chancellor of the University of Cape Town in 1996, becoming the first black woman to hold this position at a South African university. She served as Co-Chair on the Global Commission for International Migration (GCIM) between 2004 and 2005. Dr Ramphela has received numerous prestigious national and international awards, including honorary doctorates acknowledging her scholarship, service to the community, her leading role in raising development issues and spearheading projects for disadvantaged persons throughout South Africa. She is an author of many important titles about critical socio-economic issues in South Africa. She qualified as a medical doctor at the University of Natal in 1972. She holds a PhD in Social Anthropology from the University of Cape Town.

MR TOKYO SEXWALE

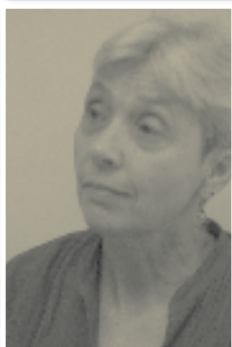
Tokyo Sexwale is Founder and Executive Chairman of Mvelaphanda Holdings (Pty) Ltd, which is primarily a mining and energy house, but which includes other strategic investments in hotels, transportation, telecommunications, property, construction, health, banking and financial services. Mr Sexwale is a former freedom fighter and political prisoner, who was sentenced to 18 years on Robben Island for treason and conspiracy to overthrow the apartheid regime in South Africa. He is a member of the ANC National Executive Committee and was the first Premier of South Africa's Gauteng province. Mr Sexwale is a trustee and founder of the Sexwale Family Foundation, and trustee of the Nelson Mandela Foundation, Desmond Tutu Peace Trust and Makana Trust for Ex-Political Prisoners. He is the Honorary Consul General of Finland in South Africa, Chairman of the Africa Asia Association and the South African/Japanese Business Forum and Co-Chairman of the Russia-South Africa Business Council. He is Chancellor of the Vaal University of Technology and a member of the JP Morgan Chase International Advisory Council and of the Brookings Institution International Advisory Council. He is a director of the FIFA World Cup 2010 Local Organising Committee and the philanthropy organisation, Synergos. He is also Chairman of the South African National Defence Force Support Council and of the LoveLife Advisory Board, and is a member of the FIFA Committee for Fair Play and Social Responsibility.

ADVISORY COUNCIL OF THE NELSON MANDELA FOUNDATION

Professor Kader Asmal
Minister Geraldine Fraser-Moleketi
Professor Fink Haysom
Minister Brigitte Mabandla
Mrs Graça Machel
Mr Mac Maharaj
Ambassador Barbara Masekela
Deputy President Phumzile Mlambo-Ngcuka
Mr Mendi Msimang
Mr Joel Netshitenzhe
Advocate Dumisa Ntsebeza
Mr Cyril Ramaphosa
Judge Themba Sangoni
Minister Lindiwe Sisulu
Dr Franklin Sonn

THE NELSON MANDELA FOUNDATION

STAFF





Previous page, from top – left to right:

Ethel Arends

Tania Arrison-Shunmugam

Patience Buthelezi

Achmat Dangor

Mothomang Diaho

Joe Ditabo

Yase Godlo

Verne Harris

Heather Henriques

Shadrack Katuu

Colette Kelly

Zelda La Grange

Molly Loate

Sam Madimetja

Jackie Maggott

Thoko Mavuso

Bushy Mphahlele

Ruth Muller

Vimla Naidoo

Kathy Ndebele

This page, from top – left to right:

Elina Ndlovu

Boniswa Nyati

Luthando Peter

Sunée Rautenbach

Zanele Riba

Razia Saleh

Buyi Sithuba

Maretha Slabbert

Naomi Warren



AUDITED
FINANCIAL
STATEMENTS

THE NELSON MANDELA FOUNDATION TRUST

REGISTRATION NUMBER: IT9259/1999

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED FEBRUARY 29, 2008

CONTENTS	PAGE
Statement of responsibility	31
Independent auditor's report	32
Report of the Trustees	33
Balance sheet	34
Income statement	35
Statement of changes in funds	36
Cash flow statement	37
Summary of significant accounting policies	38
Notes to the annual financial statements	42
Annexure A - Schedule of donations received	49
Annexure B - Schedule of total expenses	50
Annexure C - Memorandum of taxable income	51

Chairman Professor G J Gerwel
Chief Executive Mr A E Dangor

Business Address 107 Central Street
Houghton
2198

Financial Institution Nedbank Limited
Johannesburg

Auditors PricewaterhouseCoopers Inc
Registered Auditor
Gauteng

Country of Incorporation South Africa

STATEMENT OF RESPONSIBILITY

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting 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

The annual financial statements set out on pages 30 to 51 were approved by the Board of Trustees on August 26, 2008 and signed on their behalf by:



CHIEF EXECUTIVE



CHAIRMAN: BOARD OF TRUSTEES

INDEPENDENT AUDITOR'S REPORT

We have audited the annual financial statements of the Nelson Mandela Foundation Trust, which comprise the Trustees' report, the balance sheet as at February 29, 2008, the income statement, the statement of changes in funds, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 48.

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 the Trustees, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

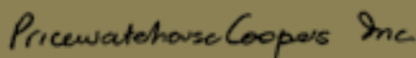
In common with similar organisations, it is not feasible for the Trust to institute accounting controls over collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually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

Qualified opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Foundation Trust as of 29 February 2008 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 49 to 51 do 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 on them.



PricewaterhouseCoopers Inc
Director: N Ayob
Registered Auditor
PRETORIA
5 November 2008

REPORT OF THE TRUSTEES

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

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)

Trustee

Masekela, B J M (resigned on 12 March 2007)
Mlambo-Ngcuka, P (resigned on 12 March 2007)
Motlana, N H
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)

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. Trustees who resigned are becoming part of a newly established Advisory Council.

3. STRATEGIC CHANGE

A new 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". 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.

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.

BALANCE SHEET

	Notes	2008 R	Restated 2007 R
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	4 882 747	1 768 679
Held to maturity investment	3	14 537 058	14 537 058
CURRENT ASSETS			
Receivables and prepayments	4	1 221 509	852 795
Cash and cash equivalents	5	102 134 634	75 283 649
TOTAL ASSETS		122 775 948	92 442 181
CONTRIBUTIONS AND LIABILITIES			
CONTRIBUTIONS			
Contribution		1 000	1 000
Accumulated funds		67 883 270	48 238 989
NON-CURRENT LIABILITIES			
Finance lease liabilities	6	278 706	490 703
CURRENT LIABILITIES			
Trade and other payables	7	6 031 792	4 536 938
Deferred grants	8	48 581 180	39 174 551
TOTAL CONTRIBUTION AND LIABILITIES		122 775 948	92 442 181

INCOME STATEMENT

	Notes	2008 R	Restated 2007 R
INCOME		54 705 694	23 748 852
Grants received:		53 207 014	23 478 607
Designated grants	8	30 349 253	20 383 174
Other donations		22 857 761	3 095 433
Donation of royalty income		915 505	-
Donations in kind	9	518 810	106 110
Other income		64 365	164 135
EXPENDITURE		(38 175 632)	(46 256 946)
Operating expenses		20 422 895	18 443 232
Project expenses	10	17 752 737	27 813 714
Net surplus/(deficit) before finance income	11	16 530 063	(22 508 094)
Finance income		3 207 427	2 943 413
Total finance income		7 068 872	4 891 103
Less: Finance income allocated to designated funds		(3 861 445)	(1 947 689)
Finance cost	12	(93 208)	(37 175)
Net surplus/(deficit) for the year before tax		19 644 281	(19 601 856)
Normal income tax	13	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		19 644 281	(19 601 856)

STATEMENT OF CHANGES IN FUNDS

	Notes	Contribution R	Accumulated funds R	Total R
Balance 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	21	-	(1 225 769)	(1 225 769)
Net deficit for the year - restated		-	(19 601 856)	(19 601 856)
Net deficit for the year - as previously stated		-	(18 121 024)	(18 121 024)
Prior year adjustment	21	-	(1 480 832)	(1 480 832)
Balance at 28 February 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

CASH FLOW STATEMENT

	Note	2008 R	Restated 2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) operating activities	14	27 960 412	(1 623 686)
Finance income		3 207 427	2 943 413
Finance cost		(93 208)	(37 175)
<i>Net cash inflow from operating activities</i>		<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
Fixed assets acquired	2	(4 016 648)	(765 999)
<i>Net cash outflow from investing activities</i>		<u>(4 011 648)</u>	<u>(707 800)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/increase in finance lease liabilities		(211 998)	269 993
<i>Net cash (outflow)/inflow from financing activities</i>		<u>(211 998)</u>	<u>269 993</u>
INCREASE IN CASH AND CASH EQUIVALENTS		26 850 985	844 745
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		75 283 649	74 438 904
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>102 134 634</u>	<u>75 283 649</u>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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). 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 1.16.

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 Trust'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 Trust to make new disclosures to enable users of the financial statements to evaluate the Trust'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 Trust'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 Trust.

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.

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 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.

1.3 Heritage assets

Heritage assets consist of artefacts and memorabilia of the Founder for which the Trust has been given the responsibility to safeguard these items. 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 useful life of the asset.

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 1.9).

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).

1.8 Investments

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

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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 depends on the timing and extent of expenditure on the projects.

Assets donated to the Trust are recorded at fair value (replacement values) on date of receipt. Use of motor vehicles at no charge is 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.

1.14 Retirement benefits

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

1.15 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.

1.16 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.

1.17 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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
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

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 Foundation 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.

2.3 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 6).

	2008 R	Restated 2007 R
3. HELD-TO-MATURITY INVESTMENT IN WHOLLY OWNED SUBSIDIARY		
Unlisted investment		
Avance Investment and Holding (Pty) Ltd		
Shares at cost	100	100
Loan	14 536 958	14 536 958
	14 537 058	14 537 058

The only asset of the wholly owned subsidiary is an office building with a cost value of R14 722 802 (book value - R13 318 782) 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 (2007:R17.7 million).

4. RECEIVABLES AND PREPAYMENTS

Prepaid expenses	8 304	43 111
Recoverable advances and other receivables	1 065 799	86 342
Sundry debtors	48 294	12 303
South African Revenue Services - Value Added Tax	99 112	711 039
	1 221 509	852 795

The receivables are neither past due nor impaired.

5. CASH AND CASH EQUIVALENTS

Bank balances - current account	246 908	193 212
Cash on hand	5 000	5 000
Short-term bank deposits:	101 882 726	75 085 437
- Designated funds	50 446 552	36 402 187
- Trust funds	-	2 772 363
- Other funds	51 436 175	35 910 887
	102 134 634	75 283 649

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.

	2008 R	Restated 2007 R
6. FINANCE LEASE LIABILITIES		
Some computer and office equipment is 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	504 536	682 576
Less: Short term portion disclosed as trade and other payables (note 7)	(225 830)	(191 873)
	<u>278 706</u>	<u>490 703</u>
	Minimum payments R	Interest cost R
		Present value R
Reconciliation of minimum lease payments		
As at 29 February 2008		
Less than one year	287 124	61 294
Two to five years	339 092	60 386
More than five years	-	-
	<u>626 216</u>	<u>121 680</u>
		<u>504 536</u>
As at 28 February 2007		
Less than one year	262 285	70 412
Two to five years	599 968	109 265
More than five years	-	-
	<u>862 253</u>	<u>179 677</u>
		<u>682 576</u>
7. TRADE AND OTHER PAYABLES		
Accruals	1 202 012	1 092 748
Sundry creditor	11 784	284 488
Accrual for leave	594 765	573 700
Short term portion of finance lease liabilities	225 830	191 873
South African Revenue Services- Employees' Tax	3 997 401	2 394 129
	<u>6 031 792</u>	<u>4 536 938</u>
8. DEFERRED GRANTS		
Opening balance	39 174 551	22 128 582
Grants allocated to designated funds	35 818 736	36 890 736
Refunds to donors	-	(2 016 681)
Interest and VAT refunds allocated to designated funds	3 937 146	2 555 088
Deferred grants recognised	(30 349 253)	(20 383 174)
Closing balance	<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
Funds held on behalf of third parties	-	1 571 388
	<u>48 581 180</u>	<u>39 174 551</u>

	2008 R	Restated 2007 R
9. DONATIONS IN KIND		
Fixed assets donated	240 170	-
Fair value of use of vehicles	278 640	106 110
	<u>518 810</u>	<u>106 110</u>

10. PROJECT EXPENSES

Centre of Memory	10 468 268	6 097 081
Education	-	6 430 539
Health and HIV Awareness	-	12 841 063
Dialogue and Leadership Series	7 284 469	2 445 031
	<u>17 752 737</u>	<u>27 813 714</u>

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

11. EXPENSES BY NATURE

Depreciation	895 655	1 299 168
Legal fees	842 397	61 853
Project implementation costs	13 595 840	23 854 992
Repairs and maintenance	238 801	850 299
Audit fees	877 197	763 572
Personnel remuneration	14 246 215	12 793 622
Loss/(profit) on disposal of fixed assets	1 924	(18 901)
Contribution to defined contribution plan	1 578 914	1 049 231
Foreign exchange loss	37 791	-
Credit losses	10 667	-
VAT - Penalties to SARS	3 470	12 423

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

12. FINANCE COST

Finance cost - finance lease liabilities	<u>93,208</u>	<u>37,175</u>
--	---------------	---------------

13. 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.

14. NOTES TO THE CASH FLOW STATEMENT	2008 R	Restated 2007 R
Cash utilised in operating activities		
Net surplus/(deficit)	19 644 281	(19 601 856)
Adjustments for:		
Depreciation	895 655	1 299 168
Finance income	(3 207 427)	(2 943 413)
Finance cost	93 208	37 175
Loss/(Profit) on disposal of fixed assets	1 924	(18 901)
	<hr/> 17 427 641	<hr/> (21 227 827)
Movements in working capital:		
(Increase)/decrease in accounts receivable	(368 712)	2 972 846
Increase in payables and deferred grants	10 901 483	16 631 295
	<hr/> 27 960 412	<hr/> (1 623 686)

15. RELATED PARTY TRANSACTIONS

The following transactions were incurred with related parties:

Related party	Relation- ship	Nature of transaction	2008 R	2007 R
1. Avance Investment and Holding (Pty) Limited	Subsidiary	Reimbursement of expenditure	247 824	125 924
2. Avance Investment and Holding (Pty) Limited	Subsidiary	Interest free loan	14 537 058	14 537 058
3. 46664 Concerts (Association Incorporated in terms of Section 21)	Related to Founder	Reimbursement of expenditure	203 289	12 426
4. Nelson Mandela Children's Fund	Related to Founder	Donation	-	2 181 190
5. Mandela Rhodes Foundation	Related to Founder	Reimbursement of expenditure and sale of assets	-	44 206
6. The Founder	The Founder	Remuneration and employees' tax	3 980 212	2 963 252
		Advance	377 304	-
7. Nelson Mandela Family	Relative of Founder	Sundry debtor	-	64 787
8. Key senior management	Key senior management	Remuneration	3 702 173	3 476 758
9. UK Legacy Trust	Sister Organisation	Advance	-	4 000 000
	Sister Organisation	Donation received	12 427 643	-
10. Fundacao Para O Desenvolvimento	Related to Founder	Donation	-	753 385

16. RETIREMENT BENEFITS

As at 29 February 2008, 31 (2007: 32) 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 R 1 578 914 (2007 - R1 049 231) and was charged to the income statement. The trust has no further obligation to provide retirement benefits to its employees.

	Payable not later than 1 year R	Payable later than 1 year R	Total payable R
17. 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.

18. 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.

a) 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:

	2008 R	2007 R
<i>Variable rate instruments</i>		
Cash and cash equivalents	102 134 634	75 283 649

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 2007.

	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)

18. FINANCIAL RISK MANAGEMENT - continued

Foreign exchange risk

The Trust 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 Trust only deals with reputable financial institutions and the maximum exposure amounts to R102 134 634 (2007: R75 283 649).

c) 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.

d) Liquidity risk

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

19. 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.

20. 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 013 502. The possibility exists that the South African Revenue Services might waive the penalties and interest payable.

21. PRIOR YEAR ADJUSTMENTS

The Trust 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 Trust 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:

	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	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
Balance sheet					
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

ANNEXURE A

SCHEDULE OF DONATIONS RECEIVED FOR THE YEAR ENDED FEBRUARY 29, 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 World 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

ANNEXURE B

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

	Operating expenses 2008 R	Operating expenses 2007 R	Project expenses 2008 R	Project expenses 2007 R	Total expenses 2008 R	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	46 256 946
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	46 294 121

ANNEXURE C

MEMORANDUM OF TAXABLE INCOME FOR THE YEAR ENDED FEBRUARY 29, 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	<u>-</u>
SOUTH AFRICAN NORMAL INCOME TAX PAYABLE	
Current tax @ 40%	<u>-</u>
TOTAL TAXATION PAYABLE FOR THE YEAR	<u>-</u>

DONORS & SUPPORTERS OF THE NELSON MANDELA FOUNDATION

ABSA Bank
Ambiorix Limited
Betterworld Foundation
BHP Billiton
Coca Cola Africa
Coca Cola Foundation – USA
Constitutional Hill Development Company (Pty) Ltd / JDA
CopperMoon Traders 481 (Pty) Ltd
DCD Builders Limited
Deborah Tehune
Dell Computers South Africa
Dr Salim Abdool Karim – CAPRIS
EIM (UK)
Embassy of Sweden
GEM Diamond Technical Services (Pty) Ltd
Goldman Sachs International
Governor Joon Yung Park (c/o Embassy of Korea)
High Commissioner of India
Isabelle Wormser
JME Oppenheimer
Kelland Homes
Leading Vehicles (GM Group)
MacSteel Service Centres SA
Margaret Tannis
Merck Co
Michael Cooper
Microsoft South Africa
Milner Dental
Mo Ibrahim Foundation
Association Mondeile and donors of the Monaco fundraising dinner
Mvelaphanda Group Shares – Batho Bonke Capital (Proprietary) Limited
Nelson Mandela Legacy Trust [NMLT]
NetCare (Network Health Holdings Limited)
NF Oppenheimer
Patrice Motsepe
System Applications Products South Africa (Pty) Ltd
Thandi Orleyn
Thesus Trustees (Bermuda) Ltd c/o Isibindi Trust
UNAIDS / World Health Organisation
UNICEF
Vodacom Group (Pty) Ltd
Volkswagen Audi SA
Wesley Burns
William J Clinton Foundation