

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
29 FEBRUARY 2024**

**THE CONSTITUTION HILL TRUST**  
**TRUST NO. IT 6576/06**

Annual Financial Statements for the year ended 29 February 2024

**General Information**

**Country of incorporation and domicile** South Africa

**Nature of business and principal activities** The principal objects of this trust shall be to promote respect for the Constitution, Democracy and Human Rights by -

- Securing the preservation and development of Constitution Hill as a heritage site, symbolising our constitutional democracy
- Making provision for educational programmes to be conducted at or in respect of Constitutional Hill for the purpose of educating South Africans on constitutionalism, human rights and democracy
- Raising funds in and outside the Republic of South Africa in respect of the Trust and other Public benefit organisations as defined in terms of section 30 of the Income Tax Act
- Providing grants for the purposes of promoting the objects set out in the first two clauses.

**Trustees** The following trustees held office for the year under review:-

<b>Name</b>	<b>Year of appointment</b>
Valli Moosa (Chair)	2022
Robert Clive Brozin	2019
Adila Hassim	2019
Michael Mervyn Katz	2007
Donné Leigh Nicol	2016
Albert Louis Sachs	2021
Khumo Lesego Shuenyane	2021

Smangaliso Mkhathshwa - appointed 10 November 2023

Lebogang Mulaisi - appointed 10 November 2023

Mojankunyane Gumbi - appointed 4 June 2024

Lindiwe Mazibuko - appointed 4 June 2024

Bulelani Ngcuka - appointed 4 June 2024

Richard Sizani - appointed 4 June 2024

Vanessa Rose September - resigned 15 June 2023

Leon Wessels - resigned 15 June 2023

**Legal form** Not-for-profit Trust

**Registration numbers** Trust registration number IT6576/06  
NPO registration number 054-941-NPO

**Registered office and business address** 11 Kotze Road  
Braamfontein  
Johannesburg  
2001

**Email address** [info@wethepeoplesa.org](mailto:info@wethepeoplesa.org)

**Bankers** First National Bank Limited

**Preparer** The annual financial statements were internally prepared by Mr Eugene Strydom.

**Level of assurance** These annual financial statements have been audited independently by Douglas & Velcich in compliance with the Trust Deed.

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

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**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**TRUSTEES' RESPONSIBILITIES AND APPROVAL**

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024**

The trustees are required by the Trust Property Control Act, 1988, and the trust deed, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for SMEs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial controls established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets out standards for internal control aimed at reducing the risk of error or loss in a cost - effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

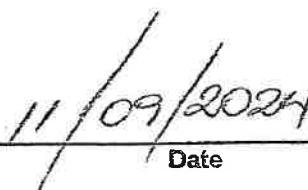
The trustees have reviewed the trust's cash flow forecast for the year to 28<sup>th</sup> February 2025 and, in the light of this review and the current financial position, they are satisfied that the trust has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 5 to 17, were approved by the board of trustees on 11 September 2024 and were signed on their behalf by :



Valli Moosa (Chair)



Date



Forum 2, BraamPark, 33 Hoofd St  
Braamfontein, Johannesburg 2001  
PO Box 32707 Braamfontein 2017  
Tel: 011-403-3835  
Fax: 011-339-7762  
Email: info@d-v.co.za

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF**

### **THE CONSTITUTION HILL TRUST TRUST NO. IT 6576/06**

#### **Unqualified Opinion**

We have audited the financial statements of The Constitution Hill Trust, set out on pages 6 to 17, which comprise the statement of financial position as at 29 February 2024, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of The Constitution Hill Trust as at 29 February 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988.

#### **Basis for Unqualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The board of trustees is solely responsible for the other information, which comprises the Report of the Trustees set out on pages 5. The other information does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the trust's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the trust's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also communicate with those charged with governance regarding all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to read "Vincent Bhengu". The signature is written in a cursive style with a large initial "V" and "B".

**Rev Vincent Bhengu CA (SA), RA (IRBA 507361)**  
**Douglas & Velcich**  
**Chartered Accountants (S.A.)**

**Johannesburg**  
**18 September 2024**

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**REPORT OF THE TRUSTEES FOR THE  
YEAR ENDED 29 FEBRUARY 2024**

Your trustees present their report, together with the audited financial statements of the trust, for the year ended 29 February 2024.

**Nature of activities**

The principal objects of the trust are to promote respect for the Constitution, Democracy and Human Rights by -

- Securing the preservation and development of Constitution Hill as a heritage site, symbolising our constitutional democracy
- Making provision for educational programmes to be conducted at or in respect of Constitutional Hill for the purpose of educating South Africans on constitutionalism, human rights and democracy
- Raising funds in and outside the Republic of South Africa in respect of the Trust and other public benefit organisations as defined in terms of section 30 of the Income Tax Act
- Providing grants for the purposes of promoting the objects set out in the first two clauses.

**Results of activities for the year**

The results of activities for the year are fully disclosed in the attached annual financial statements.

**Events after the reporting period**

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report which might have a material impact on the reported results.

**Litigation**

The Trust is not currently involved in any claims or lawsuits, which individually or in aggregate, are expected to have a material adverse effect on the Trust or its assets.

**Going concern**

The trustees believe that the Trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the Trust is in a sound financial position and that it has capacity to raise additional funding to meet its foreseeable cash requirements. The trustees are not aware of any new material developments that may adversely impact the Trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Trust.

**Property, plant and equipment**

During the year under review, the trust acquired equipment to the value of R251,186 (2023: RNil).

**Trustees**

The following trustees served during the year under review :-

	<b>Year of appointment</b>
Valli Moosa (Chair)	2022
Robert Clive Brozin	2019
Adila Hassim	2019
Michael Mervyn Katz	2007
Donné Leigh Nicol	2016
Albert Louis Sachs	2021
Khumo Lesego Shuenyane	2021

Smangaliso Mkhathshwa - appointed 10 November 2023

Lebogang Mulaisi - appointed 10 November 2023

Mojankunyane Gumbi - appointed 4 June 2024

Lindiwe Mazibuko - appointed 4 June 2024

Bulelani Ngcuka - appointed 4 June 2024

Richard Sizani - appointed 4 June 2024

Vanessa Rose September - resigned 15 June 2023

Leon Wessels - resigned 15 June 2023

**Auditors**

During the year under review, Douglas & Velcich continued in office as auditors of the Trust.



THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06

## STATEMENT OF FINANCIAL POSITION AT 29 FEBRUARY 2024

	Note	2024 R	2023 R
<b>Assets</b>		<b>17 438 622</b>	<b>4 222 057</b>
<b>Non - Current assets</b>		<b>205 930</b>	<b>-</b>
Property, plant and equipment	3	205 930	-
<b>Current assets</b>		<b>17 232 692</b>	<b>4 222 057</b>
Accounts receivable	4	60 769	26 667
Cash and cash equivalents	5	17 171 923	4 195 390
<b>Total assets</b>		<b>17 438 622</b>	<b>4 222 057</b>
<b>Total Capital, reserves and liabilities</b>		<b>17 438 622</b>	<b>4 222 057</b>
<b>Capital and reserves</b>		<b>3 136 984</b>	<b>793 605</b>
<b>Capital</b>		<b>100</b>	<b>100</b>
Trust Capital		100	100
<b>Reserves</b>		<b>3 136 884</b>	<b>793 505</b>
Accumulated funds		3 136 884	793 505
<b>Current liabilities</b>		<b>14 301 638</b>	<b>3 428 452</b>
Accounts payable	6	36 142	80 765
Deferred income	7	14 265 496	3 347 687
<b>Total reserves and liabilities</b>		<b>17 438 622</b>	<b>4 222 057</b>

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 29 FEBRUARY 2024**

	Note	2024 R	2023 R
<b>Revenue</b>	<b>8</b>	<b>9 910 900</b>	<b>7 591 376</b>
<b>Other operating income</b>		<b>212 785</b>	<b>10 000</b>
<b>Operating expenses</b>		<b>(1 735 245)</b>	<b>(1 596 550)</b>
Advertising and marketing		(102 506)	(390 750)
Assets expensed directly		(5 279)	-
Audit fees		(35 489)	(32 046)
Bank charges		(2 728)	(2 610)
Computer and IT expenses		(65 501)	(75 093)
Consultants		(1 286 008)	(923 946)
Depreciation		(33 427)	-
Events and tours		(51 850)	-
General expenses		(71 546)	(62 012)
Interest paid - SARS		(2 964)	-
Legal fees		(4 669)	(3 062)
Loss of asset		(7 829)	-
Rent paid		(26 884)	-
Travel and accommodation		(38 565)	(107 031)
<b>Project costs</b>	<b>9</b>	<b>(6 627 173)</b>	<b>(5 529 893)</b>
<b>Operating surplus for the year</b>		<b>1 761 267</b>	<b>474 933</b>
<b>Interest income</b>		<b>582 112</b>	<b>336 282</b>
<b>Surplus for the year</b>		<b>2 343 379</b>	<b>811 215</b>

**THE CONSTITUTION HILL TRUST  
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**STATEMENT OF CHANGES IN EQUITY FOR  
THE YEAR ENDED 29 FEBRUARY 2024**

	<b>Trust Capital R</b>	<b>Accumulated funds R</b>	<b>Total R</b>
<b>Balance at 28 February 2022</b>	<b>100</b>	<b>(17 710)</b>	<b>(17 610)</b>
Surplus for the year	-	811 215	811 215
<b>Balance at 28 February 2023</b>	<b>100</b>	<b>793 505</b>	<b>793 605</b>
Surplus for the year	-	2 343 379	2 343 379
<b>Balance at 29 February 2024</b>	<b>100</b>	<b>3 136 884</b>	<b>3 136 984</b>

THE CONSTITUTION HILL TRUST  
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STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 29 FEBRUARY 2024

	Note	2024 R	2023 R
Cash received from grants, donations and other		21 036 494	3 681 274
Cash paid to beneficiaries, employees and suppliers		(8 392 887)	(7 045 678)
<b>Cash generated from/(utilised in) operations</b>	<b>11</b>	<b>12 643 607</b>	<b>(3 364 404)</b>
Interest received		582 112	336 282
<b>Net cash inflow/(outflow) from operating activities</b>		<b>13 225 719</b>	<b>(3 028 122)</b>
<b>Cash generated by/(utilised in) investing activities</b>		<b>(249 186)</b>	<b>-</b>
Equipment purchased during the year		(251 186)	-
Proceeds recovered from asset lost		2 000	-
<b>Cash generated by financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>12 976 533</b>	<b>(3 028 122)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>4 195 390</b>	<b>7 223 512</b>
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>17 171 923</b>	<b>4 195 390</b>

**THE CONSTITUTION HILL TRUST**  
**TRUST NO. IT 6576/06**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2024**

**Accounting Policies**

**1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Trust Deed. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

**1.1 Accounting convention**

The trust is registered with the Master of the High Court under the Trust Property Control Act, 1988, and, as such no part of its income or property shall be transferred to its trustees directly or indirectly. All reserves of the trust are consequently non-distributable.

**1.2 Significant judgements**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

**1.3 Property, plant and equipment**

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the trust; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

<b>Item</b>	<b>Useful life</b>
Computer equipment	3 years
Office equipment	5 years

The depreciation charge for each period is recognised in surplus or deficit, unless it is included in the carrying amount of another asset.

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)**

**Accounting Policies (continued)**

**1.3 Property, plant and equipment (continued)**

The gain or loss arising from the derecognising of an item of equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**1.4 Financial instruments**

**Measurement**

Financial instruments carried on the statement of financial position include bank balances. Financial instruments are initially measured at cost as at trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below :-

**Accounts receivable**

Accounts receivable and accrued income are stated at cost less provision for impairment losses.

**Cash and cash equivalents**

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

Cash and cash equivalents are measured at fair value.

**Accounts payable**

Accounts payable is stated at nominal value.

**1.5 Impairment of assets**

The carrying amounts of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

**1.6 Deferred income**

The amounts consist of unused cash received from various donors where grants are conditional upon certain conditions being met. The funds are earmarked for specific projects with specific targets and deliverables that are set by the donors. The amount is expected to be realised as revenue over the next 12 months. The amounts are included at amortised cost.

**THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)**

**Accounting Policies (continued)**

**1.7 Tax**

**Current tax assets and liabilities**

The trust has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of Section 10 (1)(cN) of the Act.

Donations to the trust are exempt from donations tax and estate duty and South African donors qualify for a tax deduction in terms of Section 18A of the Income Tax Act.

**1.8 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**Operating leases - lease**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

**1.9 Revenue recognition**

Revenue comprises grants and donations received and income from administration and management fees charged to donors.

**Grants income - revenue from contracts with donors**

Grant income comprises amounts receivable from donors under grant letters of award or grant agreements.

Amounts received from donors as compensation for expenditure on specified activities, goods or services are classified as deferred income when the amounts are received prior to the related expenditure being incurred. Deferred income is recognised over the periods of the related grants and are matched to the expenditure that they are intended to compensate, provided there is reasonable assurance that the trust will comply with the conditions attached to the grants.

Amounts that become payable by donors as compensation for expenditure or losses already incurred are accrued provided there is reasonable assurance that the trust has complied with the conditions attached to the grant.

The trust does not accept cash donations, all amounts are received in the main bank account of the trust via electronic funds transfer or direct deposit.

THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)

**Accounting Policies (continued)**

**1.10 Interest**

Interest is recognised in surplus or deficit, using the effective interest method.

Where donor contracts are specific about the treatment of interest received, these amounts are ring-fenced and are utilised in carrying out project activities. Where donor contracts are not specific about the treatment of interest received these amounts are credited to the general funds of the trust and thus form part of the investment income earned.

**1.11 Expenditure**

Expenditure is accounted for on the accrual basis of accounting.

**1.12 Employee benefits**

**Short - term employee benefits**

The cost of short - term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and medical aid contributions), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**1.13 Project income and expenditure**

In terms of its contractual obligations to donors, the trust's policy is to allocate project costs that are clearly identifiable as such directly against the donor funds. Where funding agreements permit, shared costs and income items other than grants are allocated between project funds on the basis of estimated activity within the individual projects.



THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)

**2. FINANCIAL RISK MANAGEMENT**

**2.1 Financial risk factors**

The trust's activities could expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the trust's financial performance.

Risk management is carried out by the trustees, who evaluate financial risks.

*(a) Market risk*

The trust has no exposure to currency risk.

*(b) Credit risk*

The trust's credit risk is attributable to liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The company has no significant concentration of credit risk.

*(c) Liquidity risk*

The trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate reserves are maintained.

*(d) Cash flow and fair value interest rate risk*

The trust is exposed to interest rate risk, as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates and placings within market expectations.

THE CONSTITUTION HILL TRUST  
TRUST NO. IT 6576/06

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)

3. Property, plant and equipment

	Computer equipment R	Office equipment R	Total R
Additions during the year	174 770	76 416	251 186
Depreciation for the year	(27 656)	(5 771)	(33 427)
<b>Asset lost during the year</b>	(11 829)	-	(11 829)
Additions during the year	(13 737)	-	(13 737)
Depreciation for the year	1 908	-	1 908
<b>Net book value at 29 February 2024</b>	<b>135 285</b>	<b>70 645</b>	<b>205 930</b>
Cost	161 033	76 416	237 449
Accumulated depreciation	(25 748)	(5 771)	(31 519)

2024 R	2023 R
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4. Accounts receivable

Lease deposit	17 287	-
Payroll receivables	9 815	-
Staff debtor	2 000	-
Sundry debtors	31 667	26 667
	<b>60 769</b>	<b>26 667</b>

5. Cash and cash equivalents

First National Bank - call account	16 257 528	4 127 516
First National Bank - current account	914 185	67 874
Petty cash	210	-
	<b>17 171 923</b>	<b>4 195 390</b>

6. Accounts payable

Accruals	35 489	52 055
Payroll liabilities	653	28 710
	<b>36 142</b>	<b>80 765</b>

7. Deferred income

	Balance at beginning of year R	Received during the year R	Project expenditure R	Balance at end of year R
<b>2024 Deferred income per donor</b>				
FirstRand Foundation Trust	-	3 610 694	(1 559 400)	2 051 294
Kresge Foundation	-	11 115 000	-	11 115 000
Mellon Foundation	3 347 687	-	(2 998 485)	349 202
Millenium Trust	-	500 000	-	500 000
The Stella and Paul Loewenstein Charitable & Educational Trust	-	250 000	-	250 000
	<b>3 347 687</b>	<b>15 475 694</b>	<b>(4 557 885)</b>	<b>14 265 496</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)

7. Deferred income (continued)

	Balance at beginning of year R	Received during the year R	Project expenditure R	Balance at end of year R
<b>2023 deferred income per donor</b>				
Investec	512 625	-	(512 625)	-
Mellon Foundation	5 450 936	-	(2 103 249)	3 347 687
Nandos	7 539	-	(7 539)	-
Raith Foundation	1 270 022	-	(1 270 022)	-
	<b>7 241 122</b>	<b>-</b>	<b>(3 893 435)</b>	<b>3 347 687</b>

Deferred income represents grants received from donors for specific projects of which the expenditure and/or conditions for the use of the funds have not yet been incurred and/or met.

	2024 R	2023 R
<b>8. Revenue</b>		
Grants	4 557 885	3 893 435
Donations	5 353 015	3 697 941
	<b>9 910 900</b>	<b>7 591 376</b>
<b>9. Project costs</b>		
Project expenditure funded from grants	4 557 885	3 893 435
Project expenditure funded from donations	2 069 288	1 636 458
	<b>6 627 173</b>	<b>5 529 893</b>

10. Taxation

No provision for taxation has been made as the trust has qualified for exemption from income tax in terms of section 10(1)(cN) as read with section 30 of the Income Tax Act.

11. Cash generated from/(utilised in) operations

Surplus for the year	2 343 379	811 215
Adjusted for:		
Interest received	(582 112)	(336 282)
Loss on asset	7 829	-
Depreciation	33 427	-
Increase/(decrease) in deferred income	10 917 809	(3 893 435)
<b>Changes in working capital</b>	<b>(76 725)</b>	<b>54 098</b>
(Increase) in accounts receivable	(32 102)	(26 667)
(Decrease)/increase in accounts payable	(44 623)	80 765
<b>Cash generated from/(utilised in) operations</b>	<b>12 643 607</b>	<b>(3 364 404)</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 29 FEBRUARY 2024 (continued)**

	2024 R	2023 R
<b>12. Commitments</b>		
Authorised operating and project expenditure.		
Already contracted but not provided for:		
Operating expenses within one year	93 831	-
Operating expenses in second to fifth year inclusive	94 349	-
Project expenditure within one year	5 561 781	-
	<u>5 749 961</u>	<u>-</u>

**13. Going concern**

These financial statements have been prepared on the basis of accounting practices applicable to a going concern which assumes that the trust will generate sufficient funds by way of grants and donations to continue funding its activities.

**14. Events after the reporting period**

The trustees are not aware of any material event which occurred after the reporting date and up to the date of the report which might have a material impact on the reported results.