# Little Eden Society for the Care of Persons with Mental Handicap
(Registration number 001-827 NPO)

## Annual financial statements
## for the year ended 31 March 2025

# General Information

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Nature of business and principal activities** | The residential care of persons with intellectual disability. Little Eden Society was incorporated in South Africa as a Non-Profit Organisation. The Society operates in South Africa. |
| **Board of Governors** | D.I. Boake<br>M. Galimberti<br>S.C. Kruger<br>S.F. Mudau (Resigned 25 February 2025)<br>M. Naidoo<br>T.F. Nkosi<br>L.G. Slaviero<br>M.R. Street<br>R.N. Xaba |
| **Registered office** | Domitilla and Danny Hyams Home<br>79 Wagenaar Road (corner Harris Avenue)<br>Edenglen<br>Edenvale |
| **Business address** | Elvira Rota Village<br>Consolidated Stand 115<br>Tweefontein 413JR<br>Bapsfontein |
| **Postal address** | P.O. Box 121<br>Edenvale<br>1610 |
| **Auditors** | Nwanda Incorporated<br>Chartered Accountants (SA)<br>Registered Auditor<br>Practice number: 952451 |
| **NPO registration number** | 001-827 NPO |
| **Reporting Framework** | IFRS® Accounting Standard as issued by the International Accounting Standards Board (IASB) |
| **Level of assurance** | These annual financial statements have been audited. |
| **Compilers** | The annual financial statements were independently compiled by:<br>WK Wilton and Associates Proprietary Limited |
| **Issued** | 30 June 2025 |

## Contents

## Board of Governors' responsibilities and approval

The Board of Governors are required 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 Society as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS® Accounting Standard. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The Board of Governors acknowledge that they are ultimately responsible for the system of internal financial control established by the Society and place considerable importance on maintaining a strong control environment. To enable the Board of Governors to meet these responsibilities, the Board of Governors sets 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 Society and all employees are required to maintain the highest ethical standards in ensuring the Society's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Society is on identifying, assessing, managing and monitoring all known forms of risk across the Society. While operating risk cannot be fully eliminated, the Society endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board of Governors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation 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 Board of Governors have reviewed the Society's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the Society has or has 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 Society's annual financial statements. The annual financial statements have been examined by the Society's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 8 to 22, which have been prepared on the going concern basis, were approved by the Board of Governors on 30 June 2025 and signed on their behalf by:

| | |
|---|---|
| **L.G. Slaviero**<br>**Chairman** | **D.I. Boake (Retired CA (SA))**<br>**Treasurer** |

# Independent Auditor's Report

**To the Board of Governors of Little Eden Society for the Care of Persons with Mental Handicap**

## Qualified Opinion

We have audited the Annual Financial Statements of Little Eden Society for the Care of Persons with Mental Handicap (the Society) set out on pages 8 to 21, which comprise the Statement of Financial Position as at 31 March 2025, Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and notes to the Board of Governors, including material accounting policy information.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the Annual Financial Statements present fairly, in all material respects, the financial position of Little Eden Society for the Care of Persons with Mental Handicap as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standard and the requirements of the Nonprofit Organisations Act, Act 71 of 1997.

## Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the Society to institute accounting controls over cash and donation in kind collections prior to the initial entry of the collections in the accounting records. There are no controls (physical or otherwise) that could be implemented which would eliminate this risk altogether. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Society in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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 qualified opinion.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Society in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of Board of Governors in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Supplementary Information

The Board of Governors is responsible for the supplementary information. The supplementary information comprises the information included in the document titled "Little Eden Society for the Care of Persons with Mental Handicap Annual Financial Statements for the year ended 31 March 2025", which includes the Board of Governors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 22. The supplementary information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the supplementary information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

# Independent Auditor's Report

### Responsibilities of the Board of Governors for the Annual Financial Statements

The Board of Governors is responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Board of Governors determines is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the Board of Governors is responsible for assessing the Society'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 the Board of Governors either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the Annual 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 International Standards on Auditing 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 Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors.
- Conclude on the appropriateness of the Board of Governors' 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 Society'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 Annual 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Governors 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.

NWANDA INC

**Nwanda Incorporated**
**Chartered Accountants (S.A.)**
**Registered Auditors**
**Practice number: 952451**

**Per: EJ Gembicki**
**Director**

30 June 2025

## Board of Governors' report

The Board of Governors have pleasure in submitting their report on the annual financial statements of Little Eden Society for the Care of Persons with Mental Handicap for the year ended 31 March 2025.

### 1. Nature of operations

Little Eden Society was established in South Africa as a Non-Profit Organisation. The Society is registered as a Public Benefit Organisation with the South African Revenue Service (SARS) and is therefore exempt from normal taxation. The Society operates in South Africa.

There have been no material changes to the nature of the Society's operations from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS® Accounting Standard. The accounting policies have been applied consistently compared to the prior year.

The Society generated a surplus of R5 904 090 in the current year (2024: R3 461 347). Donations received are variable and not guaranteed year on year and given the society's reliance on donations the intention is to allocate part of the current year's surplus towards building a cashflow buffer to ensure the society's sustainability and stability.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Board of Governors

The Board of Governors in office are all independent, non-executive members of the Society and include:

| Board of Governors | Office | Changes |
|---|---|---|
| D.I. Boake | Treasurer | Appointed as Treasurer 25 February 2025 |
| M. Galimberti | | |
| S.C. Kruger | | |
| S.F. Mudau | Treasurer | Resigned 25 February 2025 |
| M. Naidoo | | |
| T.F. Nkosi | Vice-Chairperson | |
| L.G. Slaviero | Chairman | |
| M.R. Street | | |
| R.N. Xaba | | |

### 4. Events after the reporting period

The Board of Governors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Going concern

The Board of Governors believe that the Society 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 Board of Governors have satisfied themselves that the Society is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Board of Governors are not aware of any new material changes that may adversely impact the Society. The Board of Governors 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 Society.

### 6. Auditors

Nwanda Incorporated continued in office as auditors for the Society for 2025.

### 7. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the Board of Governors on 30 June 2025. No authority was given to anyone to amend the annual financial statements after the date of issue.

# Audit and Risk Subcommittee report

This report is provided by the Audit and Risk Subcommittee appointed in respect of the 2025 financial year of Little Eden Society for the Care of Persons with Mental Handicap.

## 1. Members of the Audit and Risk Subcommittee

The members of the audit committee are all independent non-executive members of the Society and include:

**Name**
R.N. Xaba (Chair)
M. Naidoo
S.C Kruger

The Board of Governors are satisfied that the members thereof have the required knowledge and experience as set out in NPO Constitution and those items recommended in the interest of good governance according to King IV.

## 2. Meetings held by the Audit and Risk Subcommittee

The audit and risk subcommittee performs the duties laid upon it in their terms of reference and NPO Constitution by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

## 3. External auditor

The audit and risk subcommittee satisfied itself through enquiry that the external auditors (Nwanda Incorporated) are independent from the organisation as defined by the NPO constitution and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate the claim to its independence.

The audit and risk subcommittee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

## 4. Annual financial statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

## 5. Accounting practices and internal control

The committee considers significant control deficiencies raised by management and by the external auditors, and reports its findings to the board. Where weaknesses are identified, the committee ensures that management takes appropriate action.

Based on a review of the design, implementation and effectiveness of the internal controls, and on reports made by the independent external auditors on the results of their audit and management reports, the committee is satisfied that the organisation's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. No findings have come to the attention of the committee to indicate that any material breakdown in internal controls occurred during the past financial year.

On behalf of the Audit and Risk Subcommittee

**R.N. Xaba CA(SA)**
**Chair Audit and Risk Subcommittee**

# Statement of financial position

| | Note | 2025<br>R | 2024<br>R |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Inventories | 3 | 46 375 | 72 391 |
| Trade and other receivables | 4 | 866 110 | 953 695 |
| Cash and cash equivalents | 5 | 14 092 272 | 17 657 405 |
| | | **15 004 757** | **18 683 491** |
| **Funds and Liabilities** | | | |
| **Funds** | | | |
| Non-distributable accumulated funds | | 13 297 343 | 7 393 254 |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 6 | 631 878 | 1 326 463 |
| Income received in advance | 7 | 837 989 | 9 640 984 |
| Provisions | 8 | 237 547 | 322 790 |
| | | **1 707 414** | **11 290 237** |
| **Total Equity and Liabilities** | | **15 004 757** | **18 683 491** |

## Statement of surplus or deficit and other comprehensive income

| | Note | 2025<br>R | 2024<br>R |
|---|---|---|---|
| Revenue | 9 | 53 843 379 | 49 896 083 |
| Direct fund-raising costs | 10 | (5 130 595) | (6 196 796) |
| **Gross surplus** | | **48 712 784** | **43 699 287** |
| Other operating income | 11 | 13 969 360 | 19 789 438 |
| Other operating expenses | | (57 689 896) | (60 638 293) |
| **Operating surplus** | 12 | **4 992 248** | **2 850 432** |
| Investment income | 13 | 911 842 | 594 055 |
| Finance costs | 14 | - | 16 860 |
| **Srplus before taxation** | | **5 904 090** | **3 461 347** |
| Taxation | 15 | - | - |
| **Surplus for the year** | | **5 904 090** | **3 461 347** |

# Statement of changes in funds

| | Non-distributable accumulated funds | Total funds |
|---|---|---|
| | R | R |
| **Balance at 01 April 2023** | **3 931 907** | **3 931 907** |
| Surplus for the year | 3 461 347 | 3 461 347 |
| **Balance at 01 April 2024** | **7 393 253** | **7 393 253** |
| Surplus for the year | 5 904 090 | 5 904 090 |
| **Balance at 31 March 2025** | **13 297 343** | **13 297 343** |

## Statement of cash flows

| | Note | 2025<br>R | 2024<br>R |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash (used in)/generated from operations | 16 | (4 476 975) | 3 177 264 |
| Interest income | | 911 842 | 594 055 |
| Finance costs | | - | (16 860) |
| **Net cash from operating activities** | | **(3 565 133)** | **3 788 179** |
| **Total cash movement for the year** | | **(3 565 133)** | **3 788 179** |
| Cash at the beginning of the year | | 17 657 405 | 13 869 226 |
| **Total cash at end of the year** | 5 | **14 092 272** | **17 657 405** |

# Accounting policies

## 1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the IFRS® Accounting Standard. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual 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 annual financial statements. Significant judgements include:

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Society reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Donations of goods and/or services

Non-financial donations of goods and/or services are considered in similar value to products that the Society would have purchased if the donations of goods and/or services were not received.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8.

### 1.3 Property, plant and equipment

It is the policy of the Society to expense capital items of property, plant and equipment in the year of acquisition.

This is a departure from IAS 16, which requires capitalization of assets that meet the recognition criteria. Management is of the opinion that expensing all assets provides more relevant and understandable information to users of the financial statements, given the nature and size of the organisation's operations.

### 1.4 Financial instruments

Classification

The Society classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated at fair value through the statement of surplus or deficit, which shall not be classified out of the fair value through the statement of surplus or deficit.

# Accounting policies

### 1.4 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the Society becomes a party to the contractual provisions of the instruments.

The Society classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through the statement of surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the Society assesses all financial assets, other than those at fair value through the statement of surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Society, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised through the statement of surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised through the statement of surplus or deficit.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of surplus or deficit.

Trade and other receivables are classified as loans and receivables.

# Accounting policies

### 1.4 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.5 Income received in advance

Special designated funds relates to income received during the current or prior periods that are subject to conditions imposed by the donor, designated by the Society for special purposes, but the use of this income only relates to future periods. As the income received can only be utilised in periods to come, the recognition of the income will materialise once the conditions over the respective income has been fulfilled. Until such time as the income is recognised, this income is classified as Income received in advance. This comes as a result of conditions placed on the income, stipulated by the donors that restrict the use of the income.

### 1.6 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 – lessee

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 asset. This liability is not discounted.

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

Under IFRS 16 lessees may elect not to recognise assets and liabilities for leases with a lease term of 12 months or less. In such cases a lessee recognises the lease payments in profit or loss on a straight-line basis over the lease term. The exemption is required to be applied by class of underlying assets. The society has adopted this exemption for leases in terms of IFRS 16.

### 1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are used, the carrying amount of those inventories are recognised as an expense in the period used. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## Accounting policies

### 1.8 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 non-monetary benefits such as medical care), 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 employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and 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.

### 1.9 Provisions

Provisions are recognised when:
- the Society has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

### 1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the Society has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Society; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Donations and other receipts, except for those detailed below, are recognised as revenue when received, however certain donations in kind are accounted for only when the proceeds are received from the sale thereof.

Monthly subsidies from the Gauteng Department of Health are recognised as revenue on the accrual basis in accordance with the relevant agreement.

Revenue is measured at the fair value of the consideration received or receivable.

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

### 1.11 Department of Health - Government grant

Department of Health - Government grants are recognised when there is reasonable assurance that:
- the Society will comply with the conditions attaching to them; and
- the grants will be received.

Department of Health - Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

### 1.12 Direct fund-raising costs

The costs directly related to the generating of revenue in the current period are recognised as direct fund-raising costs.

## Notes to the annual financial statements

| | 2025 R | 2024 R |
|---|---|---|

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Society has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| • Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2. | 01 January 2023 | No material impact |
| • Definition of accounting estimates: Amendments to IAS 8 | 01 January 2023 | No material impact |
| • IFRS 17 Insurance Contracts | 01 January 2023 | No material impact |

#### 2.2 Standards and interpretations not yet effective

The Society has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Society's accounting periods beginning on or after 01 April 2025 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| ◦ Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS7 | 01 January 2026 | Unlikely there will be a material impact |
| ◦ IAS 18 Presentation and Disclosure in Financial Statements | 01 January 2027 | Material impact |

### 3. Inventories

| | 2025 R | 2024 R |
|---|---|---|
| Diesel and fertiliser on hand | 46 375 | 72 391 |

### 4. Trade and other receivables

| | 2025 R | 2024 R |
|---|---|---|
| Trade receivables | 28 507 | 11 130 |
| Deposits | 127 838 | 124 240 |
| VAT | 709 765 | 818 325 |
| | 866 110 | 953 695 |

The fair value of trade and other receivables approximates it's carrying value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Society does not hold any collateral as security.

## Notes to the annual financial statements

| | 2025<br>R | 2024<br>R |
|---|---|---|

### 5. Cash and cash equivalents

| | | |
|---|---|---|
| Bank balances | 14 092 272 | 17 657 405 |

The fair value of cash and cash equivalents approximates it's carrying value.

The organisation has the following facilities with our bankers and are repayable on demand:

| | | |
|---|---|---|
| Short term: Guarantee Facility | 9 300 | 9 300 |
| Settlement Facility | 75 000 | 75 000 |
| Business Credit Card | 40 000 | 40 000 |

### 6. Trade and other payables

| | | |
|---|---|---|
| Trade payables | 445 128 | 1 314 759 |
| Sundry | 186 750 | 11 704 |
| | 631 878 | 1 326 463 |

The fair value of trade and other payables approximates it's carrying value.

### 7. Income received in advance

| | | |
|---|---|---|
| International grant | 533 514 | 3 140 984 |
| Major Project Co-Funding | 304 475 | 6 500 000 |
| | 837 989 | 9 640 984 |

The Society was awarded a grant from an international donor payable over eight tranches for the project *Upgrading LITTLE EDEN Society towards improved service delivery and sustainability.*

The funds received in advance are to be utilised specifically for the upgrade of the Little Eden Facilities and are recognised in the annual financial statements on the statement of financial position, until utilised and released to the statement of surplus and deficit.

Specific conditions and other contingencies attaching to the funding are in terms of a donor funding agreement signed by the Society and the donor.

### 8. Provisions

Reconciliation of provisions - 2025

| | Opening balance | Net aditions/ (utilisation) | Total |
|---|---|---|---|
| Leave pay provision | 322 790 | (85 243) | 237 547 |

Reconciliation of provisions - 2024

| | Opening balance | Net aditions/ (utilisation) | Total |
|---|---|---|---|
| Leave pay provision | 327 878 | (5 088) | 322 790 |

The provision for leave pay is based on leave days outstanding at year end based on the employee cost to the Society.

## Notes to the annual financial statements

| | 2025 R | 2024 R |
|---|---|---|
| **9. Revenue** | | |
| Collections from the public | 21 857 354 | 19 310 544 |
| Department of Health subsidies and fees - Bapsfontein facility | 10 383 228 | 9 869 436 |
| Department of Health subsidies and fees - Edenvale facility | 10 661 139 | 9 764 442 |
| Fees and disability pensions received on behalf of the residents | 6 175 728 | 6 156 470 |
| Income from charity shop | 4 295 628 | 3 892 913 |
| Income from sale of farm produce | 265 302 | 302 278 |
| National Lottery Distribution Trust Fund | 205 000 | 600 000 |
| | 53 843 379 | 49 896 083 |
| **10. Direct fund-raising costs** | | |
| Charity shop costs | 2 288 005 | 2 078 106 |
| Cost farm produce | 334 414 | 1 053 298 |
| Fund raising and marketing expenses for collection from the public | 2 508 176 | 3 065 392 |
| | 5 130 595 | 6 196 796 |
| **11. Other operating income** | | |
| Bequests | 1 358 946 | 964 079 |
| Donation of interest and VAT | 536 542 | 37 121 |
| Donations of goods and/or services | 3 210 013 | 3 468 410 |
| Grant - Facilities upgrade (refer to note 17) | 8 341 832 | 15 141 177 |
| Insurance refund | 44 406 | 125 490 |
| Sundry income | 477 621 | 53 161 |
| | 13 969 360 | 19 789 438 |

### 12. Operating surplus / (deficit)

Operating surplus for the year is stated after accounting for the following:

| | 2025 R | 2024 R |
|---|---|---|
| Operating lease charges | | |
| Contractual amounts - premises | 122 400 | 122 400 |
| Personnel costs | | |
| Salaries, wages, bonuses and other benefits | 33 140 055 | 29 797 665 |
| Other short-term costs | 920 511 | 849 540 |
| | 34 060 566 | 30 647 205 |
| Auditor's remuneration - external | | |
| Audit fees | 100 000 | 57 500 |

### 13. Investment income

| | 2025 R | 2024 R |
|---|---|---|
| Interest income | | |
| Bank | 911 842 | 594 055 |

## Notes to the annual financial statements

| | 2025<br>R | 2024<br>R |
|---|---|---|

### 14. Finance costs

| | | |
|---|---|---|
| Other interest paid | - | (16 860) |

### 15. Taxation

No provision has been made for 2025 tax as the company is a registered Public Benefit Organisation in terms of Section 30 of the South African Income Tax Act.

### 16. Cash (used in) / generated from operations

| | | |
|---|---|---|
| Surplus before taxation | 5 904 090 | 3 461 347 |
| Adjustments for: | | |
| Interest income | (911 842) | (594 055) |
| Finance costs | - | (16 860) |
| Movements in provisions | (85 243) | (5 088) |
| Changes in working capital: | | |
| Inventories | 26 016 | (27 428) |
| Trade and other receivables | 87 585 | 190 994 |
| Trade and other payables | (694 586) | 793 989 |
| Income received in advance | (8 802 995) | (625 635) |
| | (4 476 975) | 3 177 264 |

### 17. Facilities upgrade

| | | |
|---|---|---|
| Facilities upgrade grant received | 8 341 832 | 15 141 177 |
| Facilities upgrade costs incurred | (8 341 832) | (15 141 177) |
| | - | - |

### 18. Commitments

Operating leases – as lessee (expense)

| | | |
|---|---|---|
| Minimum lease payments due | | |
| - Within a year | 96 600 | 276 060 |

The above rental relates to The Charity Shops at Edenvale and Klopper Park and are renegotiated on an annual basis.

### 19. Related parties

| Entity | Relationships |
|---|---|
| Ikwezi Trust | Trust beneficiary |
| Little Eden Foundation | Recipient of donations |
| Mr. LS Slaviero | Chairperson |

**Related party transactions**

| | | |
|---|---|---|
| Rent received from related parties | | |
| Little Eden Foundation | 122 400 | 122 400 |
| Donation from related parties | | |
| Little Eden Foundation | - | 23 500 |
| Ikwezi Trust | 290 000 | 240 000 |

# Notes to the annual financial statements

| | 2025 R | 2024 R |
|---|---|---|

## 20. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

**2025**

| | Loans and receivables | Fair value through surplus or deficit - held for trading | Total |
|---|---|---|---|
| Trade and other receivables | 156 345 | - | 156 345 |
| Cash and cash equivalents | - | 14 092 272 | 14 092 272 |
| | **156 345** | **14 092 272** | **14 248 617** |

**2024**

| | Loans and receivables | Fair value through surplus or deficit - held for trading | Total |
|---|---|---|---|
| Trade and other receivables | 135 370 | - | 135 370 |
| Cash and cash equivalents | - | 17 657 405 | 17 657 405 |
| | **135 370** | **17 657 405** | **17 792 775** |

## 21. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line item below:

**2025**

| | Financial liabilities at amortised cost | Total |
|---|---|---|
| Trade and other payables | 631 877 | 631 877 |

**2024**

| | Financial liabilities at amortised cost | Total |
|---|---|---|
| Trade and other payables | 1 326 463 | 1 326 463 |

## Notes to the annual financial statements

| | 2025 | 2024 |
|---|---|---|
| | R | R |

### 22. Risk management

Capital risk management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern in order to provide residential care and benefit for persons with intellectual disability per our mission statement.

The capital structure of the Society consists of cash and cash equivalents disclosed in note 5, and non-distributable accumulated reserves as disclosed in the statement of financial position.

The Society has strict requirements in terms of their constitution to retain all non-distributable accumulated reserves or to only distribute its non-distributable accumulated reserves to an organisation with a similar constitution.

There have been no changes to what the Society manages as non-distributable and accumulated reserves.

Financial risk management

The Society's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk) and liquidity risk.

Liquidity risk

The Society's risk to liquidity is a result of the funds available to cover day to day running costs and future commitments. The Society manages liquidity risk through an ongoing review of future commitments and related party available facilities.

Interest rate risk

As the Society has no significant interest-bearing assets, the Society's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Society only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise mainly of VAT refundable from SARS, with no other significant trade receivables.

Foreign exchange risk

The Society is not exposed to foreign exchange risks with no foreign transaction or interactions.

### 23. Contingent liability

An inquest docket has been opened for one of the residents who passed away during the 2021 financial year. The financial impact cannot be determined at this point in time as the outcome of the inquest is uncertain and time period for the finalisation cannot determined by management. The entity has personal indemnity insurance cover in place in case of a potential claim and legal costs being incurred, however each claim is assessed based on merit.

The organisation is involved in an ongoing labour dispute case with CCMA instituted by one of our ex-employee in February 2025. The outcome, financial impact and time of finalisation of the case cannot be determined by management at this point.

## Detailed statement of surplus or deficit

| | Note | 2025<br>R | 2024<br>R |
|---|---|---|---|
| Revenue | 9 | 53 843 379 | 49 896 083 |
| Direct fund-raising costs | 10 | (5 130 595) | (6 196 796) |
| **Gross surplus** | | **48 712 784** | **43 699 287** |
| **Other operating income** | | | |
| Bequests | | 1 358 946 | 964 079 |
| Donations goods and / or services | | 3 210 013 | 3 468 410 |
| Donations of interest and value added tax | | 536 542 | 37 121 |
| Grant - Facilities upgrade | | 8 341 832 | 15 141 177 |
| Insurance refund | | 44 406 | 125 490 |
| Sundry income | | 477 621 | 53 161 |
| | 11 | **13 969 360** | **19 789 438** |
| **Other operating expenses** | | | |
| Auditor's remuneration | 12 | (100 000) | (57 500) |
| Bank charges | | (186 969) | (189 881) |
| Cleaning and laundry | | (2 207 934) | (2 073 290) |
| Facilities upgrade costs | | (8 341 832) | (15 141 177) |
| Food and groceries | | (4 491 700) | (3 559 098) |
| General expenses | | - | (85 447) |
| Insurance | | (500 078) | (463 674) |
| Lease rentals on operating lease | | (122 400) | (122 400) |
| Linen and clothing | | (387 728) | (312 980) |
| Medical expenses | | (404 861) | (501 192) |
| Personnel costs | | (34 060 566) | (30 647 205) |
| Petrol and oil | | (358 795) | (379 669) |
| Postage | | (9 353) | (2 150) |
| Printing and stationery | | (53 720) | (39 957) |
| Professional / consultancy fees | | (635 492) | (1 007 324) |
| Remedial and other equipment | | (373 686) | (569 996) |
| Repairs and maintenance | | (1 635 680) | (1 964 110) |
| Security | | (638 409) | (608 640) |
| Software and website expenses | | (227 793) | (181 131) |
| Subscriptions | | (15 741) | (24 438) |
| Teaching aids - Edenvale | | (9 575) | - |
| Telephone and fax | | (143 485) | (113 365) |
| Training | | (81 900) | (114 783) |
| Travel - local | | (41 807) | (146 866) |
| Utilities | | (2 660 392) | (2 332 020) |
| | | **(57 689 896)** | **(60 638 293)** |
| **Operating (deficit) / surplus** | 12 | **4 992 248** | **2 850 432** |
| Investment income | 13 | 911 842 | 594 055 |
| Finance costs | 14 | - | 16 860 |
| **Surplus before taxation** | | **5 904 090** | **3 461 347** |
| Taxation | 15 | - | - |
| **(Deficit) / surplus for the year** | | **5 904 090** | **3 461 347** |



The supplementary information presented does not form part of the annual financial statements and is unaudited.