LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Annual Financial Statements

for the year ended 28 February 2026

Reviewed Financial Statements

in compliance with Companies Act 71 of 2008

Prepared: Johan Coetzer (CA) SA

LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Annual Financial Statements for the year ended 28 February 2026

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LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Annual Financial Statements for the year ended 28 February 2026

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Community project providing training in life skills and the rehabilitation of offenders as well as to establish and maintain a Halfway House. Secondary objective is fund raising from all sectors of the community.
MANAGEMENT COMMITTEE	A Roodt B Krynauw E Mpochela
REGISTERED OFFICE	119 EP Malan Road Pomona 1619
CHARTERED ACCOUNTANT (SA)	Johan Coetzer CA (SA) Gleneagles Office Park 217 Koorsboom Avenue Unit 5, GEO2 Building, Kempton Park 1619

Independent Reviewer's Report

To the Management of LUTHEMBA LETHU COMMUNITY PROJECT

Report on the Annual Financial Statements

We have reviewed the annual financial statements of LUTHEMBA LETHU COMMUNITY PROJECT set out on pages 5 to 12, which comprise the statement of financial position as at 28 February 2026, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Annual Financial Statements

The organisation's management is responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these annual financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects, the financial position of LUTHEMBA LETHU COMMUNITY PROJECT as at 28 February 2026, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Johan Coetzer

CA (SA)

5 August 2026

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LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Annual Financial Statements for the year ended 28 February 2026

Management's Responsibilities and Approval

Management is 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing, and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The independent reviewers are responsible for independently reviewing and reporting on the annual financial statements. The independent reviewers report is presented on page 2.

The annual financial statements as set out on pages 5 to 12 were approved by the management committee on 5 March 2026 and were signed on its behalf by:

B Krynauw

A Roodt

E Mpochela

Management's Report

The management committee present their report for the year ended 28 February 2026.

1. Review of activities

Main business and operations

The principal activity of the organisation is community project providing training in life skills and the rehabilitation of offenders as well as to establish and maintain a Halfway House. Secondary objective is fund raising from all sectors of the community. and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events after the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

4. Management

The management of the organisation during the year and to the date of this report are as follows:

A Roodt

B Krynauw

E Mpochela

5. Independent Reviewers

Johan Coetzer CA (SA) was the independent reviewer for the year under review.

LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Financial Statements for the year ended 28 February 2025

Statement of Financial Position

Figures in Rand	Note(s)	2026	2025
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,650,632	1,706,029
		1,650,632	**1,706,029**
Current Assets			
Trade and other receivables			
Cash and cash equivalents	4	6,290	20,761
		6,290	**20,761**
Total Assets		**1,656,922**	**1,726,791**
Reserves and Liabilities Reserves			
Retained earnings/ (accumulated loss)		224,700	236,616
		224,700	**236,616**
Non-Current Liabilities			
Borrowings	5	1,390,622	1,490,176
		1,390,622	**1,490,176**
Current Liabilities			
Provisions		-	-
Trade and other payables	6	41,600	-
		-	-
Total Reserves and Liabilities		**1,656,922**	**1,726,791**

LUTHEMBA LETHU COMMUNITY PROJECT

(Registration Number 134-214 NPO)

Financial Statements for the year ended 28 February 2026

Statement of Comprehensive Income

Figures in Rand	2026	2025
Revenue	1,528,051	1,641,544
Operating costs	1,419,520	1,352,662
Operating surplus	**108,531**	**288,883**
Finance costs	120,447	145,102
Surplus for the year	**-11,915**	**143,781**

LUTHEMBA LETHU COMMUNITY PROJECT

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Financial Statements for the year ended 28 February 2026

Statement of Changes in Reserves

Figures in Rand	Accumulated surplus	Total
Balance at 1 March 2024	92,835	92,835
Surplus (loss) for the year	143,781	143,781
Balance at 28 February 2025	**236,616**	**236,616**
Balance at 1 March 2025	236,616	236,616
Surplus (loss) for the year	-11,915	-11,915
Balance at 28 February 2025	224,700	224,700

Statement of Cash Flows

Statement of Cash Flows			
Figures in Rand	Note(s)	2026	2025
Cash flows from operating activities			
Surplus for the year		-11,915	143,781
Adjustments for:			
Finance costs		120,447	145,102
Depreciation of Tangible assets		55,397	55,397
Operating cash flow before working capital changes		**163,929**	**344,280**
Working capital changes			
Increase in trade and other receivables			
Decrease in short-term loans			
(Decrease)/Increase in trade and other payables			
Cash generated by operating activities		**163,929**	344,280
Finance costs		- 120,447	- 145,102
Net cash from operating activities		**43,482**	**199,178**
Cash flows from investing activities			
Property, plant and equipment acquired	3	-	-
Proceeds on disposals of property, plant and equipment		-	-
Net cash generated by investing activities		**-**	**-**
Cash flows from financing activities			
Loans raised/paid		**170,000**	250,000
Net cash generated by financing activities		**- 170,000**	**- 250,000**
Decrease in cash and cash equivalents		- 14,471	- 27,321
Cash and cash equivalents at beginning of the year		**20,761**	48,083
Cash and cash equivalents at end of the year	4	6,290	**20,761**

1. General information

LUTHEMBA LETHU COMMUNITY PROJECT is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and represented in South African Rands.

2.1 Income taxes

The association 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.

The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment 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 property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	10.00%
Other Fixed Assets	20.00%
Office equipment	16.67%
IT equipment	33.00%

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.4 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.5 Provisions

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3. Property, plant and equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
Owned assets						
Land and buildings	1,484,441	-	**1,484,441**	1,484,441	-	**1,484,441**
Furniture and fittings	12,225	12,225	-	12,225	12,225	-
Other Fixed Assets	376,774	210,583	166,191	376,774	155,186	**221,588**
Office equipment	20,588	20,588	-	20,588	20,588	-
IT equipment	11,596	11,596	-	11,596	11,596	-
	1,905,624	**254,992**	**1,650,632**	**1,905,624**	**199,595**	**1,706,029**

	Carrying value at the beginning of the year	Additions	Disposals	Depreciation	Carrying value at the end of the year
Owned assets					
Land and buildings	1,484,441	-	-		1,484,441
Furniture and fittings	-	-	-	-	-
Other Fixed Assets	**221,588**	-	-	55,397	166,191
Office equipment	-	-	-	-	-
IT equipment	-	-	-	-	-
	1,706,029	**0**	**0**	**55,397**	**1,650,632**

Notes to the Annual Financial Statements

Figures in Rand

4. Cash and cash equivalents

Favourable cash balances

	2026	2025
Nedbank	6,290	20,761
	6,290	20,761

5. Borrowings

Unsecured		
Ocean Port Agencies	1,390,622	1,418,610
The loan is unsecured, bears interest at 9.75% and repayable within 10 years.		
F van der Merwe	-	71,565
The loan is unsecured, bears no interest and have no fixed term of repayment.		
	1,390,622	1,490,176

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

6. Trade and other payables

Accrued liabilities	41,600	0

LUTHEMBA LETHU COMMUNITY PROJECT

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Financial Statements for the year ended 28 February 2026

Detailed Income Statement

Figures in Rand	2025	2024
Gross Revenue		
Donations	1,528,051	1,641,544
	1,528,051	**1,641,544**
Expenditure		
Animal feed	5,612	7,590
Assessment rates and municipal charges	3,327	2,989
Bank charges	7,188	9,610
Computer expenses	7,469	8,899
Depreciation - Tangible assets	55,397	55,397
Destiny House expenses	248,952	181,918
Electricity and water	81,046	72,263
Entertainment	5,675	3,652
Finance costs	120,447	145,102
General expenses	4,189	6,550
Insurance	27,302	23,034
Motor vehicle expense	4,556	5,686
Printing and stationery	11,175	5,665
Repairs and maintenance	9,705	10,000
Wages, salaries & consulting fees	833,396	806,945
Telephone and fax	26,290	23,900
Training	52,214	57,899
Travel - local	4,529	22,664
Life coaches	31,500	48,000
Total expenses	1,539,967	1,497,764
Surplus for the year	**- 11,915**	**143,781**

Taxation

Figures in Rand	Add back	Deduct	2026	2025
Surplus before taxation			-11,915	143,781
Section 10(1)(cN) exemption	-	-		
	-	-		143,781
Total per balance sheet - assets/ (liabilities)			-	-