# ForAfrika South Africa NPC

**(Registration Number 1983/011022/08)**

**Annual Financial Statements**

**for the year ended 31 December 2025**

## Index

## General Information

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|---|---|
| **Country of Incorporation and Domicile** | South Africa |
| **Registration Number** | 1983/011022/08 |
| **Nature of Business and Principal Activities** | The entity is a humanitarian aid and development organisation that fights hunger, poverty, and malnutrition in South Africa. |
| **Directors** | Mr Isak Jan Pretorius (Resigned 1 January 2025)<br>Mr Isaac Chalumbira (Resigned 1 July 2025)<br>Mrs Maserame Rebecca Mouyeme<br>Abeba Berhe Amene (Appointed 5 May 2025)<br>Mr Simon Robert McGregor (Resigned 14 November 2025)<br>Manyaka Lebogang Emmah (Appointed 1 October 2025) |
| **Business Address** | 123 Copperhouse Road<br>Nooitgedacht<br>Gauteng<br>1739 |
| **Postal Address** | P.O. Box 1502<br>Honeydew<br>2040 |
| **Bankers** | Standard Bank Limited |

## Directors' Responsibilities and Approval

The directors 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 prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board ("IFRS for SMEs Accounting Standard") and the requirements of the Companies Act of South Africa, Act 71 of 2008 ("Companies Act"). The directors must ensure that the financial statements satisfy the regards to form and content and present fairly the statement of financial position, results of operations and business of the entity, and explain the transactions and financial position of the business of the entity at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the entity and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The directors 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources for the period ended 31 December 2026 the directors have no reason to believe that the entity will not be a going concern in the foreseeable future. The financial statements support the viability of the entity.

The external auditor is responsible for independently auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditor and the auditor's audit report is presented on pages 5 to 6

The annual financial statements set out on pages 7 to 27, and the supplementary information set out on page 28 which have been prepared on the going concern basis, were approved by the board of directors and were signed on their behalf by:

| | |
|---|---|
| Signed by: Maserame Mouyeme<br>78F6A4451284403... Date 15 July 2026 | Signed by: Abeba Berhe Amene<br>0E5D4B07961D41B... Date 15 July 2026 |
| Mrs Maserame Rebecca Mouyeme | Abeba Berhe Amene |

## Directors' Report

The directors present their report for the year ended 31 December 2025.

### 1. Review of activities

**Main business and operations**

The entity is a humanitarian aid and development organisation that fights hunger, poverty, and malnutrition in South Africa. There were no major changes herein during the year.

The operating results and statement of financial position of the entity 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 on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Although the organisation incurred losses in both the current and prior year and cash was utilised in operations during these periods, total assets exceeded total liabilities and current assets exceeded current liabilities in both years.

The directors believe that the entity 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.

### 3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the entity.

### 4. Directors

**List of directors**

Mr Simon Robert McGregor (Resigned 14 November 2025)
Abeba Berhe Amene
Mrs Maserame Rebecca Mouyeme
Manyaka Lebogang Emmah (Appointed 1 October 2025)
Mr Isak Jan Pretorius (Resigned 1 January 2025)
Mr Isaac Chalumbira (Resigned 1 July 2025)

**Changes to directors of the entity during the financial year:**

Manyaka Lebogang Emmah (Appointed 1 October 2025)
Mr Isak Jan Pretorius (Resigned 1 January 2025)
Mr Isaac Chalumbira (Resigned 1 July 2025)
Mr Simon Robert McGregor (Resigned 14 November 2025)

**Secretary**

Mr Adriaan Jacobus Kennedy has been appointed as the acting secretary of the company for the year under review. His address is: 36 Crown Street, Vierlanden, Durbanville, 7550

### 5. Independent Auditor

SNG Grant Thornton Inc. continued as auditors of ForAfrika NPC for the 2025 financial year.

SNG Grant Thornton

# Independent Auditor's Report
# To the members of
# ForAfrika South Africa NPC

**Report on the Audit of the Financial Statements**

**Opinion**
We have audited the financial statements of ForAfrika South Africa NPC (the company) as set out on pages 7 to 27, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ForAfrika South Africa NPC as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

**Basis for 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 company 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 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 opinion.

**Other Information**
The directors are responsible for the other information. The other information comprises the information included in the document titled "ForAfrika South Africa NPC (Registration Number 1983/011022/08) Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' Report and the Directors' Responsibilities and Approval as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion 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 have 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 the Directors for the Financial Statements**
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company 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 directors either intend to liquidate the company to cease operations, or have no realistic alternative but to do so.

**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 judgement 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 company'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 company 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.

We communicate with the directors regarding, amongst 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.

SizweNtsalubaGobodo Grant Thornton Inc

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**Joseph Senoamadi CA (SA)**
**SizweNtsalubaGobodo Grant Thornton Inc.**
**Engagement Director**
**Registered Auditor**

**15 July 2026**

**152 14th Road**
**Noordwyk**
**Midrand**
**1687**

## Statement of Financial Position

| Figures in R | Notes | 2025 | 2024 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 3,103,416 | 6,424,299 |
| **Total non-current assets** | | **3,103,416** | **6,424,299** |
| **Current assets** | | | |
| Inventories | 5 | 13,345,533 | 915,371 |
| Trade and other receivables | 6 | 2,285,489 | 11,139,555 |
| Cash and cash equivalents | 7 | 3,212,765 | 2,613,108 |
| **Total current assets** | | **18,843,787** | **14,668,034** |
| **Total assets** | | **21,947,203** | **21,092,333** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Retained income | | 3,811,263 | 11,410,554 |
| **Current Liabilities** | | | |
| Trade and other payables | 8 | 2,033,634 | 6,689,571 |
| Deferred income | 9 | 16,102,306 | 2,992,208 |
| **Total current liabilities** | | **18,135,940** | **9,681,779** |
| **Total equity and liabilities** | | **21,947,203** | **21,092,333** |

**Statement of Comprehensive Income**

| Figures in R | Notes | 2025 | 2024 |
|---|---|---|---|
| Revenue | 10 | 27 903 137 | 30 948 779 |
| Operating expenses | 11 | (34 366 475) | (37 923 100) |
| Other Income | 13 | 2 020 871 | 2 150 625 |
| Other losses | 12 | (3 257 700) | (739 282) |
| **Loss from operating activities** | | **(7 700 167)** | **(5 562 978)** |
| Finance Income | 14 | 100 875 | 334 569 |
| **Loss for the year** | | **(7 599 292)** | **(5 228 409)** |

# ForAfrika South Africa NPC

(Registration Number 1983/011022/08)
Financial Statements for the year ended 31 December 2025

## Statement of changes in Equity

| Figures in R | Retained income | Total |
| --- | --- | --- |
| **Balance at 1 January 2024** | **16,638,963** | **16,638,963** |
| **Changes in equity** | | |
| Loss for the year | (5,228,409) | (5,228,409) |
| Total comprehensive loss for the year | (5,228,409) | (5,228,409) |
| Balance at 31 December 2024 | 11,410,554 | 11,410,554 |
| **Balance at 1 January 2025** | 11,410,554 | 11,410,554 |
| **Changes in equity** | | |
| Loss for the year | (7,599,291) | (7,599,291) |
| Total comprehensive loss for the year | (7,599,291) | (7,599,291) |
| **Balance at 31 December 2025** | **3,811,263** | **3,811,263** |

## Statement of Cash Flows

**Figures in R**

***Cash flows from operations***

| Figures in R | Notes | 2025 | 2024 |
|---|---|---|---|
| **Cash flows from operations** | | | |
| Net cash flows used in operations | 19 | 936,882 | (7 134 830) |
| Finance income | | 100 875 | 334 569 |
| **Net cash flows utilized in operating activities** | | **1 037 757** | **(6 800 261)** |
| | | | |
| **Cash flows used in investing activities** | | | |
| Proceeds on Disposal of property, plant and equipment | | - | 937 600 |
| Acquisition of property, plant and equipment | | ( 438 100) | (124 633) |
| **Cash flows generated /(utilized) in investing activities** | | **(438 100)** | **812 967** |
| **Financial Activities** | | - | - |
| Net Increase/(Decrease) in cash and cash equivalents | | 599 657 | (5 987 294) |
| Cash and cash equivalents at beginning of the year | | 2 613 108 | 8 600 400 |
| Cash and cash equivalents at end of the year | 7 | **3 212 765** | **2 613 108** |

## Accounting Policies & Critical Accounting Judgements

### 1. General information

ForAfrika South Africa NPC ('the entity') is a humanitarian aid and development organisation that fights hunger, poverty, and malnutrition in South Africa.

The entity is incorporated as a Not-for-Profit Entity and domiciled in South Africa. The address of its registered office is 123 Copperhouse Road, Nooitgedacht, Gauteng, 1739.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of ForAfrika South Africa NPC have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act. These financial statements have been prepared under the historical cost convention. They are presented in South African Rand and rounded to the nearest Rand.

The preparation of financial statements in accordance with the IFRS for SMEs Accounting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Property, plant and equipment

PPE is measured according to historical costs, which is the actual purchase and costs associated in bring the asset to its intended use. Depreciation is charged annually to adjust the value of PPE on straight line basis according to every category as per Company policies.

Property, plant and equipment are tangible assets which the entity holds for its own use and which are expected to be used for more than one period.

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

Property, plant and equipment is initially measured at cost. Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost can be measured reliably. Day-to-day service costs are included in profit or loss in the period in which they are incurred.

**Depreciation**

Depreciation on buildings and improvements to land not owned by the entity, is calculated based on the estimated useful life of the buildings and improvements using the straight-line method. Refer to note 3.1.3 below for further details.

Depreciation on other assets, is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation of an asset commences when the asset is available for use as intended by the directors. The estimated useful lives range as follows:

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

| Asset class | Useful life / depreciation rate |
|---|---|
| Buildings and improvements | 20 years |
| Plant and machinery - containers | 5 years |
| Plant and machinery - general field equipment | 3 years |
| Plant and machinery - irrigation and garden systems | 3 years |
| Plant and machinery - telecommunications | 3 years |
| Motor vehicles | 10 to 20 years |
| Office equipment | 10 years |
| IT equipment | 4 years |
| Warehouse equipment | 10 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the expected recoverable amount, an impairment loss equal to the excess of the carrying amount over the recoverable amount, is recognised immediately in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss in the statement of comprehensive income.

### 2.2 Financial instruments

**Trade and other receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other receivables are classified as debt instruments at amortised cost.

**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.

**Trade and other payables**

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

## Accounting Policies & Critical Accounting Judgements

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

### 2.3 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Gifts in kind which have been donated and not distributed at year end, are recognised as inventories and are measured at fair value. Gifts in kind are recognised as an expense in the period in which they are distributed. Fair value is based upon the company's estimate of the sales values that would be received for selling the goods in their principal markets, considering the goods' condition and utility for use at the time of contribution.

### 2.4 Deferred income

The entity defers income from donors received not yet fully utilised during its financial year under review to the following financial year, in the following manner:

- Contracts and agreements: where a contract and/or agreement with a donor for specific identified projects is concluded during the financial year under review and the contract and/or agreement is set to continue during the following financial year as specified in the terms of the contract and/or agreement, income is recognised in surplus or deficit up to the extent of completion of the project during the financial year. The balance is deferred to the following financial year.

The stage of completion of a project may be determined as follows, depending on the nature of the transaction:

- the proportion of actual costs incurred to date on the project. Only costs that reflect services and activities performed to date are included in costs incurred to date.

## Accounting Policies & Critical Accounting Judgements

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

### 2.5 Revenue from donations and donations in kind

Funds received are recognised to the extent that is probable that economic benefits will flow to the organisation and the funds received can be measured reliably.

Funds that impose specified future performance conditions are recognised in income only when the performance conditions are met. Funds received in the form of grants and agreements with donors are recognised as income over the periods necessary to match them with the related costs that they are intended for.

Funds received that do not impose specified future performance conditions such as anonymous donations and voluntary donations from donors are recognised in income when the funds become receivable, it can be measured reliably or once it has been received.

Donations and advertising in kind are measured at the building of the item received and recognised as income once received from the donor. Undistributed gifts in kind and unused services in kind are recognised as inventories at year end.

The following income is recognised in the financial period of its intended use:

- gifts in kind - advertising and other tangible gifts;
- income from corporates and trusts;
- income from churches and foundations;
- income from individual private donors;
- Grants and Contracts;
- other income; and
- other recoveries.

Income from the sale of goods is measured at the value of consideration, excluding Value Added Tax, and recognised when the risks and rewards of ownership have been transferred to the buyer and it is probable that economic benefits associated with the transaction will flow to the entity.

Income from the sale of goods is classified as other income.
Interest income is recognised using the effective interest method.

## Accounting Policies & Critical Accounting Judgements

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

### 2.6 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

**Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### 2.7 Related parties

A related party is a person or entity with the ability to control or jointly control the company, or exercise significant influence over the company, or vice versa. As a minimum, the following are regarded as related parties of the company:

- A person or a close member of that person's family is related to the company if that person:
    - has control or joint control of the company;
    - has significant influence over the company; or
    - is a member of the key management personnel of the company.
- An entity is related to the company if any of the following conditions apply:
    - The entity is controlled or jointly controlled by a person identified as a related party;
    - A person identified as having control or joint control over the company has significant influence over the entity or is a member of the key management personnel of the entity;
    - The entity provides key management personnel services to the company.

A related party transaction is a transfer of resources, services or obligations between the company and a related party, regardless of whether a price is charged.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current year are addressed below.

#### 3.1.1 Impairment Loss

An allowance for impairment loss is made against accounts that in the judgement of management may be impaired. The requirement for impairment is assessed monthly, with a detailed formal review of balances at the reporting date. Determining the recoverability of an account involves estimates and judgement as to the likely financial condition and performance of the customer and their ability to make payment. Management believes that the financial performance of all their customers, included in trade and other receivables, is such that no impairment or allowance for impairment is required at the reporting date.

### 3.1.2 Evaluations of Inventory

The company evaluates its inventory to ensure that it is carried at the lower cost or estimated selling price at less costs to sell. The company does not hold inventories with expiration dates for long periods at a time. The nature of the company's activities as a humanitarian organisation is such that it does not hold inventories for trading purposes. Inventories are acquired and distributed for the duration of contracts with donors. Management believes the risk of obsolescence; slow moving or damaged inventories are minimal. For this reason, no provision is made against slow moving, obsolete or damaged inventories.

### 3.1.3 Useful lives and residual values of property, plant and equipment

As described above, the company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current year, the determination of useful lives is based on the following:

- Buildings and improvements: the land from where the entity operates is owned by F.O.O.D Property Holdings NPC which was a company registered and managed by the original founder of the entity. The entity funded and erected buildings and improvements to the land which it utilises in its operations. No agreement was entered into how the funds used by the entity to erect the buildings and improvements will be repaid by F.O.O.D Property Holdings NPC. The directors have reviewed current market information available and therefore decided to depreciate the cost of the buildings and improvements over a period of 20 years.
- Motor vehicles: residual values are assigned to vehicles at the start of its useful lives and are based on management's judgement. Residual values are based on selling prices management expect to receive currently if the asset was already at the end of its useful life.
- Motor vehicles: useful lives of motor vehicles are based on management estimate of its expected period of use and is reviewed annually.

### 3.1.4 New standards and interpretations not yet adopted

The International Accounting Standards Board (IASB) issued the Third Edition of the IFRS for SMEs Accounting Standard in February 2025. The amendments are effective for annual periods beginning on or after 1 January 2027, with early application permitted. The key changes relevant to the entity are summarised below:

| No. | Change | Description of the Change | Effective Date |
|---|---|---|---|
| 1 | Conceptual Framework | Updated to align with the 2018 Conceptual Framework; revised definitions of assets and liabilities; emphasis on prudence, substance over form, and stewardship. | 1 Jan 2027 |
| 2 | Statement of Cash Flows | Requires disclosure of a reconciliation of changes in liabilities from financing activities, including supplier finance arrangements. | 1 Jan 2027 |
| 3 | Consolidated and Separate Financial Statements | Aligned with IFRS 10; updated control definition; retained interest measured at fair value on loss of control with gains/losses recognised in profit or loss. | 1 Jan 2027 |
| 4 | Financial Instruments | Combines previous Sections 11 and 12; aligned with IFRS 9; removes IAS 39 fallback; retains loss model incurred; enhanced disclosures required. | 1 Jan 2027 |
| 5 | Fair Value Measurement | New section based on IFRS 13; consolidates fair value guidance into one section with consistent principles and disclosure requirements. | 1 Jan 2027 |
| 6 | Business Combinations and Goodwill | Aligned with IFRS 3; updated definition of a business; recognition of contingent consideration; fair value measurement of acquired assets and liabilities. | 1 Jan 2027 |
| 7 | Revenue from Contracts with Customers | Replaces previous revenue section with a simplified five-step model aligned to IFRS 15; includes transition relief for contracts in progress. | 1 Jan 2027 |
| 8 | Other Amendments | Clarification of public accountability; guidance on share-based payment transactions; simplified treatment of defined benefit obligations; enhanced foreign currency disclosures. | 1 Jan 2027 |

## Notes to the Financial Statements

**Figures in R**

### 4. Property, plant and equipment

| | Buildings and Improvements | Plant and Machinery** | Motor Vehicles | Office equipment | IT Equipment** | Warehouse Equipment | Total |
|---|---|---|---|---|---|---|---|
| **Reconciliation for the year ended 31December 2024** | | | | | | | |
| **Balance at 1 January 2024** | | | | | | | |
| At cost | 8 084 067 | 544 406 | 5 731 199 | 397 625 | 442 744 | 195 340 | **15 395 381** |
| Accumulated depreciation | (4 197 726) | (507 748) | (2 299 979) | (209 029) | (280 150) | (158 353) | **(7 652 985)** |
| **Net carrying value** | **3 886 341** | **36 658** | **3 431 220** | **188 596** | **162 594** | **36 987** | **7 742 396** |
| Additions | - | - | - | - | 124 633 | - | **124 633** |
| Depreciation | (404 208) | (14 412) | (202 749) | (36 187) | (80 477) | (19 236) | **(757 269)** |
| Disposals | - | - | (685 461) | - | - | - | **(685 461)** |
| **Property, plant and equipment at end of the year** | **3 482 133** | **22 246** | **2 543 010** | **152 409** | **206 750** | **17 751** | **6 424 299** |
| **Closing balance at 31 December 2024** | | | | | | | |
| At cost | 8 084 067 | 544 406 | 4 583 275 | 397 625 | 567 377 | 195 340 | **14 372 090** |
| Accumulated depreciation | (4 601 934) | (522 160) | (2 040 265) | (245 216) | (360 627) | (177 589) | **(7 947 791)** |
| **Net carrying value** | **3 482 133** | **22 246** | **2 543 010** | **152 409** | **206 750** | **17 751** | **6 424 299** |

## Notes to the Financial Statements

**Figures in R**

| | Buildings and Improvements | Plant and Machinery** | Motor Vehicles | Office equipment | IT Equipment** | Warehouse Equipment | Total |
|---|---|---|---|---|---|---|---|
| **Reconciliation for the year ended 31December 2025** | | | | | | | |
| **Balance at 1 January 2025** | | | | | | | |
| At cost | 8 084 067 | 544 406 | 4 583 275 | 397 625 | 567 377 | 195 340 | **14 372 090** |
| Accumulated depreciation | (4 601 934) | (522 160) | (2 040 266) | (245 216) | (360 627) | (177 589) | **(7 947 791)** |
| **Net carrying value** | **3 482 133** | **22 246** | **2 543 010** | **152 409** | **206 750** | **17 751** | **6 424 299** |
| Additions | - | - | 378 565 | - | 59 535 | - | **438 100** |
| Depreciation | (224 434) | (6 737) | (166 667) | (33 444) | (63 338) | (6 666) | **(501 286)** |
| Disposals | (3 257 699) | - | - | - | - | - | **(3 257 699)** |
| **Property, plant and equipment at end of the year** | **-** | **15 509** | **2 754 908** | **118 965** | **202 947** | **11 085** | **3 103 414** |
| **Closing balance at 31 December 2025** | | | | | | | |
| At cost | 8 084 067 | 544 406 | 4 961 840 | 397 625 | 626 912 | 195 340 | **14 810 190** |
| Accumulated depreciation | (4 826 368) | (528 897) | (2 206 932) | (278 660) | (423 965) | (184 255) | **(8 449 077)** |
| Asset Disposal | (3 257 699) | - | - | - | - | - | **(3 257 700)** |
| **Net carrying value** | **-** | **15 509** | **2 754 908** | **118 965** | **202 947** | **11 085** | **3 103 414** |

** Included in the cost of property, plant and equipment (PPE) of R 14 810 190 was an amount of R  1 038 659 relating to items of PPE that are fully depreciated and carry at R1 or less.
The accumulated depreciation of these assets was R 1 038 659, and the Net book Value was R0 as at 31 December 2025.

## 5. Inventories

### 5.1 Inventories comprise:

| | 2025 | 2024 |
|---|---|---|
| Blankets | - | |
| CSS Food | 227,641 | 814,903 |
| General inventories (see 5.2 below) | 13,117,892 | 100,468 |
| | 13,345,533 | 915,371 |

### 5.2 General inventories consist of:

| | 2025 | 2024 |
|---|---|---|
| Bowls for feeding | 47,987 | 88,027 |
| Clothing | 13,056,744 | - |
| Spoons and food storage bins | 13,161 | 12,441 |
| | **13,117,892** | **100,468** |

## 6. Trade and other receivables

| | 2025 | 2024 |
|---|---|---|
| Trade receivables | 358,335 | 7,518,909 |
| Deposits | 66,657 | 40,000 |
| Staff Advances | 28,434 | 195,836 |
| Value added tax | 1,791,890 | 4,124,092 |
| Prepaid Expenses | 40,172 | - |
| | **2,285,488** | **11,878,837** |
| VAT Impairment | - | (739,282) |
| | **2,285,488** | **11,139,555** |

## 7. Cash and cash equivalents

**Cash**

| | 2025 | 2024 |
|---|---|---|
| Cash on hand | 8,456 | 97 |
| Bank Balances | 3,204,319 | 2,613,011 |
| | **3,212,765** | **2,613,108** |

| Facilities with Standard Bank: | 2025 | 2024 |
|---|---|---|
| Corporate credit cards | 600,000 | 600,000 |
| Standard Bank Fleet Management Service Cards | 1,125,000 | 1,125,000 |
| Electronic Funds Transfer Services (Debit run) | 250,000 | 250,000 |

| | RESTRICTION AMOUNT | SURETY NAME |
|---|---|---|
| Suretyship | Unrestricted Amount | Food Property Holdings |
| Pledge | Unrestricted Amount | |
| Pledge | Unrestricted Amount | TMS Industrial Services (Namibia) PL |

## 8. Trade and other payables

**Trade and other payables comprise:**

| | 2025 | 2024 |
|---|---|---|
| Trade creditors | 1,045,276 | 5,841,736 |
| Accrued Expense | 326,215 | 326,215 |
| Other payables* | 662,142 | 521,620 |
| **Total trade and other payables** | **2,033,633** | **6,689,571** |

* Other payables include payroll liabilities and expense claims payable to staff members.

## 9. Deferred Income

### 9.1 Deferred income comprise:

| | 2025 | 2024 |
|---|---|---|
| Deferred income Opening Balance | 2,992,208 | 3,230,674 |
| Income Received | 17,251,385 | 2,992,208 |
| Income Utilised | (4,141,287) | (3,230,674) |
| **Deferred Income Closing balance** | **16,102,306** | **2,992,208** |

### 9.2 Additional disclosures

The following donor funds received during the year were not fully utilised and carried forward to the following year:

| | 2025 | 2024 |
|---|---|---|
| SCANIA | 1,062,000 | 1,075,669 |
| TFG Clothing | 12,596,149 | - |
| Spur | 239,728 | - |
| AECI | 922,751 | 864,321 |
| AVBOB | - | 256,525 |
| Brenntag | 350,000 | 260,000 |
| ASSUPOL | 570,696 | 200,200 |
| BOAS EIENDOM | 360,982 | 335,493 |
| | **16,102,306** | **2,992,208** |

## 10. Revenue

**Revenue comprises income from:**

| | 2025 | 2024 |
|---|---|---|
| Churches and foundations | 660,772 | 1,248,337 |
| Corporates and trusts | 4,835,282 | 1,142,131 |
| Cost recoveries from projects and programs | - | 368,385 |
| Gifts in kind | 793,262 | 42,047 |
| Gifts in Kind – Advertising | 1,207,401 | - |
| Grants and contracts | 15,832,613 | 22,957,776 |
| Private contributions | 2,831,470 | 2,874,880 |
| Sundry Sales | 1,550,809 | 1,736,983 |
| Private Corporates | 191,528 | 578,240 |
| **Total income** | **27,903,137** | **30,948,779** |

## 11. Operating expenses

**Operating expenses comprise of the following administrative and operating expenses:**

| | 2025 | 2024 |
|---|---|---|
| Advertising and marketing | 21,272 | 709,921 |
| Auditors remuneration - fees | 152,957 | 324,093 |
| Non-Capitalised Assets | 32,759 | 29,119 |
| Discount Allowed | 44,616 | 35,490 |
| Financial Costs | 141,860 | 213,734 |
| Commodities | 4,349,634 | 4,724,097 |
| Communication | 353,379 | 288,448 |
| Depreciation | 501,285 | 757,269 |
| Employee benefit expenses | 14,501,978 | 16,576,707 |
| Monitoring, Evaluation, Accountability & Learning | 274,216 | 142,956 |
| Gifts to similar organisations | 5,000 | - |
| Gifts in kind distributed | 793,262 | 42,047 |
| Gifts in Kind - Advertising | 1,207,401 | - |
| Motor vehicle expense | 1,233,477 | 1,963,040 |
| Occupancy | 840,948 | 1,197,438 |
| Other costs | 749,586 | 606,074 |
| Professional services and fees | 558,015 | 1,676,146 |
| Rounding off errors | - | 339 |
| Repairs and maintenance | 3,721 | 32,822 |
| Stock written off | 33,260 | 812 |
| Supplies | 8,136,526 | 7,601,472 |
| Training | 123,615 | 214,023 |
| Travel | 307,710 | 787,053 |
| **Total Direct expenses** | **34,366,477** | **37,923,100** |

## 12. Other losses

**Other losses comprise:**

| | | |
|---|---|---|
| *VAT – Impairments | - | (739,282) |
| Loss on Sale of Property, Plant and Equipment | (3,257,700) | - |
| **Total other losses** | **(3,257,700)** | **(739,282)** |

* In accordance with the assessment issued by the South African Revenue Service (SARS), the organization has recognized an impairment of VAT. This adjustment represents the amount of Value Added Tax (VAT) input claims that were not allowed by SARS, based on their review of the organization's VAT filings.

## 13. Other Income

**Other income comprises:**

| | 2025 | 2024 |
|---|---|---|
| Profit on Sale of Property, Plant and equipment | - | 252,139 |
| General cost Recoveries | 2,020,871 | 1,898,486 |
| **Other income** | **2,020,871** | **2,150,625** |

## 14. Finance Income

| | | |
|---|---|---|
| Bank Interest | **100,875** | **334,569** |

## 15. Taxation

The entity has been approved as a Public Benefit Organisation (PBO) as set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act) of South Africa. The entity's Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act.

## 16.Related parties

### 16.1 Related parties, other than directors, are as follows:

| Entity name | Nature of relationship |
|---|---|
| ForAfrika Switzerland | ForAfrika Affiliate country office |
| ForAfrika to Thrive (Incorporated in Mauritius) | Significant influence by common directors of the entity |

### 16.2 Compensation paid to directors

For the purposes of this report, "Key Management Personnel" are defined as the directors of the company. These individuals are responsible for the strategic decision-making and management of the company.

**2025**

| Name | Director fees | Salary | Bonus | Short term employee benefits** | Total remuneration |
|---|---|---|---|---|---|
| Mr Isaac Chalumbira | - | - | - | - | - |
| Mrs Rebecca Mouyeme | - | - | - | - | - |
| Mr Simon Robert McGregor | - | - | - | - | - |
| Manyaka Lebogang Emmah | - | - | - | - | - |
| **Total compensation paid to directors and prescribed officers** | **-** | **-** | **-** | **-** | **-** |

All directors of ForAfrika South Africa NPC were not paid during the financial year ended 31 December 2025 and served on a voluntary basis.

## Notes to Financial Statements

***Related parties continued...***

**2024**

| Name | Director fees | Salary | Bonus | Short term employee benefits** | Total remuneration |
|---|---|---|---|---|---|
| Mr Isaac Chalumbira | - | - | - | - | - |
| Mrs Rebecca Mouyeme | - | - | - | - | - |
| Mr Simon Robert McGregor | - | - | - | - | - |
| Mr Isak Jan Pretorius | - | - | - | - | - |
| Mrs Fiona Kathleen Hannig | - | - | - | - | - |
| **Total compensation paid to directors and prescribed officers** | **-** | **-** | **-** | **-** | **-** |

All directors of ForAfrika South Africa NPC were not paid during the financial year ended 31 December 2024 and served on a voluntary basis.

### 16.3 Related party transactions and balances

| | Entities with significant influence over the entity |
|---|---|
| **Year ended 31 December 2025** | |
| **Related party transactions** | |
| **ForAfrika to Thrive (ForAfrika International)** | |
| *Shared services costs | 793,937 |
| *Shared service costs include office rental, IT support and IT Licenses | |
| **Outstanding balances for related party transactions** | |
| **ForAfrika to Thrive (ForAfrika International)** | |
| Amounts payable | 243,455 |
| Amounts receivable | - |
| **Year ended 31 December 2024** | |
| **Related party transactions** | |
| **ForAfrika to Thrive (ForAfrika International)** | |
| *Shared services costs | |
| *Shared service costs include office rental, IT support and IT Licenses | 2,118,759 |
| **Outstanding balances for related party transactions** | |
| **ForAfrika to Thrive (ForAfrika International)** | |
| Amounts payable | 3,466,578 |
| Amounts receivable | 3,285,360 |

## Notes to Financial Statements

### 17. Events after the reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the entity.

### 18. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Although the organisation incurred losses in both the current and prior year and cash was utilised in operations during these periods, total assets exceeded total liabilities and current assets exceeded current liabilities in both years.

### 19. Commitments

The organisation has commitments related to signed contracts. These commitments pertain to project activities that ForAfrika is required to deliver within the timelines specified in the signed agreements. As per the signed agreements ForAfrika will receive amounts to cover for the expenses to be incurred during the project timeline. The impact on cash flow is minimal as ForAfrika will receive a steady cash flow that is aligned to the expenditure to be incurred.

| DONOR | TOTAL COMMITMENT VALUE | PROJECT TIMELINE | KEY DELIVERABLE |
|---|---|---|---|
| Woolworths | **1,092,835** | 1 January 2026 – 31 December 2028 | FSL Projects |
| Spur | **2,736,844** | 1 September 2024 – March 2026 | Nutritional feeding |

### 20. Contingencies Liabilities

ForAfrika South Africa currently do not have any contingency liabilities.

## Notes to Financial Statements

### 21. Cash flows from operating activities

| Figures in R | 2025 | 2024 |
|---|---|---|
| **Loss for the year** | **(7 599 291)** | **(5 228 409)** |
| **Adjustments for:** | | |
| Finance income | (100 875) | (334 569) |
| Depreciation | 501 285 | 757 261 |
| Impairment - VAT | - | 739 282 |
| Profit/ Loss on disposal of non-current assets | 3 257 699 | (252 139) |
| | | |
| **Change in working capital:** | | |
| Increase in inventories | (12,430,162) | (271 135) |
| (Increase)/Decrease in trade and other accounts receivable | 8 854 067 | (3 630 085) |
| Increase/(Decrease) in trade and other accounts payable | (4 655 938) | 3 158 312 |
| Increase/(Decrease) in deferred income | 13,110,097 | (2 073 348) |
| | | |
| **Net cash flows from operation** | **936 882** | **(7 134 830)** |

## Detailed Income Statement

**Figures in R**

| | notes | 2025 | 2024 |
|---|---|---|---|
| **Revenue** | 10 | | |
| Churches and foundations | | 660,772 | 1,248,337 |
| Corporates and trusts | | 4,835,282 | 1,142,131 |
| Gifts in kind received | | 793,262 | 42,047 |
| Gifts in Kind - Advertising | | 1,207,401 | - |
| Cost recoveries from projects and programs | | - | 368,385 |
| Grants and contracts | | 15,832,613 | 22,957,776 |
| Private Corporates | | 191,528 | 578,240 |
| Sundry Sales | | 1,550,809 | 1,736,983 |
| Private contributions | | 2,831,470 | 2,874,880 |
| | | **27,903,137** | **30,948,779** |
| **Operating expenses** | | | |
| Advertising and marketing | | 22,272 | 709,921 |
| Auditors remuneration - fees | | 152,957 | 324,093 |
| Financial Costs | | 32,759 | 213,734 |
| Non-capitalised Assets | | 44,616 | 29,119 |
| Discount Allowed | | 141,860 | 35,490 |
| Commodities | | 4,349,634 | 4,724,097 |
| Communication | | 353,379 | 288,448 |
| Depreciation | | 501,285 | 757,269 |
| Employee costs | | 14,501,978 | 16,576,707 |
| Gifts to similar organisations | | 5,000 | - |
| Gifts in kind distributed | | 793,262 | 42,047 |
| Gifts in kind – Advertising | | 1,207,401 | - |
| Monitoring, Evaluation, Accountability & Learning | | 274,216 | 142,956 |
| Motor vehicle expense | | 1,233,477 | 1,963,040 |
| Occupancy | | 840,948 | 1,197,438 |
| Other costs | | 749,586 | 606,074 |
| Professional services and fees | | 558,015 | 1,676,146 |
| Rounding Off | | - | 339 |
| Repairs and maintenance | | 3,721 | 32,822 |
| Stock written off | | 33,260 | 812 |
| Supplies | | 8,136,526 | 7,601,472 |
| Training | | 123,615 | 214,023 |
| Travel | | 307,710 | 787,053 |
| **Total Operating Expenses** | | **34,366,477** | **37,923,100** |
| Other Income | 13 | 2,020,871 | 2,150,625 |
| Finance Income | | 100,875 | 334,569 |
| Loss on sale of Property, Plant and Equipment | | (3,257,700) | - |
| Impairment - VAT | | - | (739,282) |
| Loss for the year | | **(7,599,294)** | **(5,228,409)** |

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