Annual Financial Statements

MRP FOUNDATION (NPC)

31 MARCH 2018

Contents

Directors	N Ambrosio SI Bird VT Botha-Richards
Purpose	Non-profit organisation focusing on youth development and education
Auditors	Ernst & Young Inc.
Bankers	ABSA Bank Limited
Country of incorporation and domicile	South Africa
Company registration number	2005/002290/08
Non-profit organisation number	053-536-NPO
Public benefit organisation number	930 023 271
Business address	Upper Level North Concourse 65 Masabalala Yengwa Avenue Durban 4000

Directors' approval of annual financial statements

The annual financial statements, which appear on pages 6 to 21, were approved and signed by the Directors on 13th July 2018.

VT Botha-Richards

N Ambrosio

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REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF MRP FOUNDATION NPC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of MRP Foundation NPC set out on pages 7 to 21, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of MRP Foundation NPC as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Basis for Qualified Opinion

Cash donations are a significant source of revenue for MRP Foundation NPC. The directors have determined that it is impracticable to establish internal controls over the collection of cash donations prior to the initial entry into its financial records. We were therefore are unable to confirm whether all cash donations were recorded. The prior period audit report was also modified in this respect.

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), the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of MRP Foundation NPC. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of MRP Foundation NPC. 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 report of the directors as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report 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 directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Companies Act of South Africa, and for such internal control as the directors' determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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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 skepticism 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 Company'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 directors 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.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Vinodhan Pillay
Registered Auditor
Chartered Accountant (SA)
20 July 2018

REPORT OF THE DIRECTORS

NATURE OF OPERATIONS

The association is a non-profit organisation focusing on youth development and education.

RESULTS OF OPERATIONS

The results of operations for the year under review are set out in the annual financial statements.

DIVIDENDS

Being an association incorporated not for profit, no dividends can be declared.

DIRECTORS

Particulars of the present Directors are given on page 2.

EVENTS SUBSEQUENT TO YEAR END

No material fact or circumstance has occurred between the reporting date and the date of this report.

GOING CONCERN

The Directors believe the association is a going concern. The annual financial statements have accordingly been prepared on this basis.

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were prepared by David Churchman, Financial Manager.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 R	2017 R
Assets			
Non-current assets		**2,689,564**	**2,134,020**
Property, plant and equipment	5	425,150	101,281
Intangible assets	6	2,264,414	2,032,739
Current assets		**14,017,044**	**14,432,146**
Other receivables	7	2,127,850	3,616,827
Prepayments		1,364,048	840,468
Cash and cash equivalents	8	10,525,146	9,974,851
Total assets		**16,706,608**	**16,566,166**
Equity and liabilities			
Equity			
Accumulated funds		**12,669,139**	**10,846,580**
Current liabilities		**4,037,469**	**5,719,586**
Trade payables and other payables	9	972,061	2,634,229
Leave pay and incentive accruals	9	775,614	300,857
Deferred income	10	2,289,794	2,784,500
Total equity and liabilities		**16,706,608**	**16,566,166**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 R	2017 R
Revenue	2	**39,220,617**	**33,969,924**
Income			
Donation income		39,133,930	33,874,997
- Mr Price Group Limited - Staff, suppliers and customers		3,458,711	3,332,893
- Mr Price Group Limited - Fundraising initiatives		815,526	63,883
- Mr Price Group Limited - Bequests		28,177,838	22,259,934
- Jump Start Initiative		-	954,000
- External party fundraising		6,681,855	7,264,287
Total income		**39,133,930**	**33,874,997**
Total expenditure		**37,398,058**	**33,526,992**
Administration and office expenditure		4,895,479	3,662,516
Project disbursements		32,502,579	29,864,476
Surplus before finance income	3	**1,735,872**	**348,005**
Net finance income		86,687	94,927
Finance income	4	86,687	94,927
Surplus for the year		**1,822,559**	**442,932**
Other comprehensive income		-	-
Total comprehensive income for the year		**1,822,559**	**442,932**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Accumulated funds R
Balance at 02 April 2016	**10,403,648**
Total comprehensive income	442,932
Surplus for the year	442,932
Other comprehensive income	-
Balance at 01 April 2017	**10,846,580**
Total comprehensive income	1,822,559
Surplus for the year	1,822,559
Other comprehensive income	-
Balance at 31 March 2018	**12,669,139**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 R	2017 R
Cash inflows from operating activities		**1,389,783**	**2,852,879**
Cash generated from operations	11	1,303,096	2,757,952
Finance income		86,687	94,927
Cash outflows from investing activities		**(839,488)**	**(2,045,286)**
Additions to property, plant and equipment	5	(417,517)	(58,591)
Additions to intangible assets	6	(421,971)	(1,986,695)
Net increase in cash and cash equivalents		**550,295**	**807,593**
Cash and cash equivalents at the beginning of the year		9,974,851	9,167,258
Cash and cash equivalents at the end of the year	8	**10,525,146**	**9,974,851**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1. Basis of preparation

The financial statements set out on pages 7 to 21 have been prepared on the historical cost basis except where indicated otherwise in a policy below, and incorporate the following principal accounting policies which conform to International Financial Reporting Standards (IFRS) and which are consistent with those applied in the previous year.

1.2. Adoption of new Standards and changes in accounting policies

The following new Standards and Interpretations that were applicable were adopted during the year and did not lead to any changes in the Foundation's accounting policies. There were other amendments issued by the IASB which came into effect for the current financial period which were not applicable to the Foundation.

Statement, Interpretation or Standard	Effective for annual periods beginning
IAS 7 Disclosure Initiative amendments	1 January 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses amendments	1 January 2017

1.3. Standards and amendments issued but not yet effective

At the date of authorisation of these financial statements, the following Statements, Interpretations and Standards were in issue but not yet effective:

Statement, Interpretation or Standard	Effective for annual periods beginning
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions - amendments	1 January 2018
IAS 40 Transfers of Investment Property amendments	1 January 2018
Annual Improvements to IFRS Standards 2014-2016 Cycle	1 January 2018
IFRS 16 Leases	1 January 2019

The Directors anticipate that the adoption of the above in future periods will have no material financial impact on the financial statements of the Foundation and will only result in additional disclosure requirements. These Statements, Interpretations and Standards will be adopted at the respective effective dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Foundation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Foundation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Foundation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.5. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

1.5. Revenue recognition (continued)

Donation and fundraising income
Donation and fundraising income are recognised when the income accrues to the Foundation.

Interest income
Revenue is recognised as the interest accrues (using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

1.6. Expenditure recognition

Expenditure is recognised in profit or loss as incurred.

1.7. Property, plant and equipment

Furniture, fittings and computer equipment are stated at historic costs less accumulated depreciation and any accumulated impairment and are depreciated on the straight-line basis to their expected residual values, over the estimated useful lives of the assets concerned which are as follows:

Furniture and fittings	5 to 10 years
Computer equipment	3 to 5 years

The assets' expected residual values, estimated useful lives, and depreciation policy are reviewed, and adjusted if appropriate, on an annual basis. Changes in estimated useful life or expected pattern of consumption of future benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

1.8. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software
Acquired software not regarded as an integral part of hardware is capitalised at historic cost and is amortised on the straight-line basis over its estimated useful life (2 to 10 years), from the date of it being commissioned into the Foundation.

1.9. Financial instruments

Financial instruments recognised on the statement of financial position include cash and cash equivalents, other receivables and other payables. Financial instruments are initially measured at cost, which is the fair value of the consideration given or received including transaction costs when the Foundation becomes a party to the contractual provisions of the instrument and any

1.9. Financial instruments (continued)

subsequent measurement adjustments are made in accordance with the specific instrument related provisions of IAS 39 - Financial Instruments - Recognition and Measurement as follows:

Other receivables

Other receivables are classified as loans and receivables originated by the Foundation and are subsequently measured at amortised cost (using the effective interest rate method) less any impairment thereon. Other receivables are short term in nature and the effect of imputing interest is considered insignificant.

Cash and cash equivalents

These are classified as loans and receivables originated by the Foundation and are subsequently measured at amortised cost. Cash and cash equivalents comprise cash at bank and cash on hand.

Other payables

Other payables are classified as financial liabilities and are subsequently carried at amortised cost using the effective interest rate method. Payables are short term in nature and the effect of imputing interest is considered to be insignificant.

Derecognition of financial assets and liabilities

a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Foundation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Foundation has transferred its rights to receive cash flows from the asset and either;

(a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Foundation has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the enterprise's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the enterprise could be required to repay.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

1.9. Financial instruments (continued)

modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets
The Foundation assesses at each reporting date whether a financial asset or group of financial assets is impaired.

a) Assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Foundation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1.10. Leave pay accrual

The leave pay accrual comprises the leave entitlement in respect of the Foundation staff. Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the reporting date. It has been calculated based on leave days due at reporting date and the cost to company per employee.

1.11. Taxation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1.11. Taxation (continued)

Value added tax

Expenses and assets are recognised net of the amount of value added tax.

In terms of the Value Added Tax Act, the Foundation is exempt from value added tax on donations received.

1.12. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions complied with. When the grant relates to a specific project, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as part of the cost of the asset, with the carrying amount being reduced. The grant is then recognised as income over the useful life of the depreciable asset by a way of a reduced depreciation charge.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	R	R
2. Revenue		
Revenue is comprised of the following:		
Donation income	39,133,930	33,874,997
Finance income	86,687	94,927
	39,220,617	33,969,924

3. Surplus before finance income

Net surplus before finance income is stated after taking the following into account:

	2018	2017
Expenditure		
Employment costs	3,389,165	2,577,617
Service providers	25,898,893	22,554,225

4. Finance income and finance costs

	2018	2017
Finance income		
Interest received from financial institutions	86,687	94,927

5. Property, plant and equipment

	Furniture, fittings, computer equipment	Furniture, fittings, computer equipment
Beginning of the year	101,281	65,532
Current period movements		
Additions	417,517	58,591
Depreciation	(93,648)	(22,842)
Balance at the end of the year	425,150	101,281

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Property, plant and equipment (continued)

	2018 R	2017 R
	Furniture, fittings, computer equipment	Furniture, fittings, computer equipment
Made up as follows:		
At cost	561,438	143,921
Accumulated depreciation	(136,288)	(42,640)
Net book value	425,150	101,281

6. Intangible assets

	Computer software	Computer software
Beginning of the year	2,032,739	145,805
Current period movements		
Capital work in progress	421,971	1,986,695
Amortisation	(190,296)	(99,761)
Balance at the end of the year	2,264,414	2,032,739
Made up as follows:		
At cost	2,708,666	2,286,695
Accumulated amortisation	(444,252)	(253,956)
Net book value	2,264,414	2,032,739

7. Other receivables

VAT receivables	676,621	516,761
Other receivables	1,451,229	3,100,066
	2,127,850	3,616,827

8. Cash and cash equivalents

Current bank accounts	10,525,146	9,974,851

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018 R	2017 R
9. Trade and other payables		
Trade payables	190,575	994,657
Other payables and accruals	781,486	1,639,572
	972,061	2,634,229
Leave pay and incentive accruals	775,614	300,857
	1,747,675	2,935,086

Accruals are non-interest bearing and are normally settled on presentation of invoice.

10. Other deferred income

Other deferred income	2,289,794	2,784,500

The Foundation received income in advance from The Spar Group Limited for the Jump Start Retail Programme, R1 840 705 and donations received in advance from Mr Price Group Limited, R449 089 (2017: R1 585 240, The Spar Group Limited; R1 199 260, Mr Price Group Limited).

11. Cash generated from operations

Net income for the year	1,822,559	442,932
Finance income	(86,687)	(94,927)
Depreciation	93,648	22,842
Amortisation	190,296	99,761
	2,019,816	470,608
Working capital changes	(716,720)	2,287,344
Decrease/(increase) in other receivables and prepayments	965,397	(2,082,577)
(Decrease)/increase in current liabilities	(1,682,117)	4,369,921
Cash generated from operations	1,303,096	2,757,952

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Financial instruments

12.1 Classification of financial instruments

The Foundation's principal financial instruments comprise cash and short-term deposits. The Foundation has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. It is, and has been throughout the year under review, the Foundation's policy that no trading in financial instruments shall be undertaken. The Foundation does not trade.

12.2 Liquidity management

Liquidity risk is defined as the risk that the Foundation would not be able to settle or meet its obligations on time or at a reasonable price.

The Foundation has minimised its liquidity risk by ensuring that it has adequate banking facilities. The Foundation's financial liabilities are all short term in nature and hence no further maturity analysis has been performed. The Foundation expects to meet its obligations from existing cash reserves and from operating cash flows.

12.3 Fair value of financial instruments

Fair value is defined as the amount for which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arms-length transaction, other than in a forced or liquidation sale. The fair values of the Foundation's financial instruments, which principally comprise bank and cash balances, receivables and payables approximate their statement of financial position carrying values.

12.4 Classification of financial instruments

	Loans and receivables	
	2018	**2017**
	R	**R**
Current assets		
Other receivables (excluding VAT receivables)	1,451,229	3,100,066
Cash and cash equivalents	10,525,146	9,974,851
	11,976,375	13,074,917

	At amortised cost	
	2018	**2017**
	R	**R**
Current liabilities		
Trade payables	190,575	994,657
Other payables and accruals	781,486	1,639,572
Leave pay and incentive	775,614	300,857
	1,747,675	2,935,086

12. Financial instruments (continued)

12.5 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Foundation is not exposed to credit risk as it does not have trade receivables.

12.6 Credit risk management

Net finance income represents an insignificant amount and hence no sensitivity analysis has been presented.

13. Commitments

MRP Foundation NPC has entered into a lease on a training space. The lease has a life of one year with renewal options exercisable at the foundation's discretion. The lease has an escalation clause of 10%. Future minimum straight-line rentals under non-cancellable leases as at 31 March 2018, which relate to land and buildings, are as follows:

	2018 R	2017 R
Within one year	88,191	-

14. Related parties

Donations to the value of R28 177 838 (2017: R22 259 934) were received from Mr Price Group Limited during the current financial year. The Mr Price Group Limited donates funds to the Foundation to carry out Corporate Social Investment Initiatives.

In addition, the mrp and mrpHome divisions of the Mr Price Group Limited undertook fundraising initiatives on behalf of the Foundation, raising funds of R763 855 and R22 783 (2017: R60 780) respectively.

The balance owing to Mr Price Group Limited as at 31 March 2018 amounts to R216 744 (2017: R436 615).