

13th February 2019

Our Ref: MS/rn

The Directors
Focus on iThemba
Private Bag x7039
Hillcrest
3650

Dear Sirs

**REPORT OF THE INDEPENDENT AUDITOR OF FACTUAL FINDINGS TO THE DIRECTORS OF
FOCUS ON ITHEMBA NPC (RF)
NPO NUMBER: 035-958-NPO
PBO NUMBER: 930003051**

Scope

We have, at your request and in terms of our letter of engagement dated 05th December 2018, performed certain procedures described below, regarding the verification of the number of foster homes, scholarship and crèche beneficiaries of Focus on iThemba NPC (RF), and the demographics thereof.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. Our responsibility is to report on the results of the agreed upon procedures. Our report is solely to assist you in obtaining an independent confirmation of the number of beneficiaries and demographics thereof for Broad-Based Black Economic Empowerment ("B-BBEE") purposes to support the verification of the Social Economic Development ("SED") and Enterprise Development ("ED") elements of your B-BBEE scorecard and/or verification. Our report is not to be used for any other purpose and is solely for your information.

Agreed Upon Procedures

Our agreed upon procedures are summarized as follows:

A. Scholarship beneficiaries

1. Obtain a list of scholarships awarded for the financial year from iThemba Academy to scholars.
2. Inspect the scholarship agreement between iThemba Academy and the Scholar.
3. Inspect the parent's identity document.

4. Inspect the scholar's birth certificate or identity document and determine the gender and race group.
5. Confirm that the scholarship agreement has been signed between iThemba Academy and the scholars.
6. Agree the scholarship payment for school fees to the bank statement and note the date of payment.
7. Perform a physical verification for each learner awarded a scholarship.

B. Foster home beneficiaries

1. Obtain a list of foster home child beneficiaries.
2. Agree the details for each foster home child beneficiary to their respective birth certificate or identity document and determine the gender and race group of each foster home child.

C. Crèche beneficiaries

1. Obtain the attendance registers for each crèche.
2. Agree the details for each beneficiary on the crèche register to their respective birth certificate and determine the gender and race group.
3. Perform a physical verification for each crèche.

D. Audit report

1. Calculate the total number and percentage of beneficiaries, split into their respective race groups and gender for the foster homes, scholarships and crèches.
2. Calculate the percentage of Non-South African beneficiaries.
3. Calculate the number and percentage of "Black Designated Groups" as defined in the Broad-Based Black Economic Empowerment Amended Codes of Good Practice, government gazette notice no.36928 issued on 11 October 2013.

Findings

A physical verification of beneficiaries of Focus on iThemba was conducted on 25th January 2019. Our report below is based upon our findings on this date:

A. Scholarship beneficiaries

1. Obtained a list of scholarships awarded for the financial year from iThemba Academy to scholars.
2. Inspected the scholarship agreement between iThemba Academy and the Scholar.

3. Inspected the parent's identity document.
4. Inspected the scholar's birth certificate or identity document and determined the gender and race group.
5. Confirmed that the scholarship agreement has been signed between iThemba Academy and the scholars.
6. Agreed the scholarship payment for school fees to the bank statement and noted the date of payment to ensure amounts have been recorded in the correct period.
7. Performed a physical verification for each learner awarded a scholarship.
 - The total number of beneficiaries at the iThemba Academy was 8
 - All beneficiaries were South African citizens

B. Foster home beneficiaries

1. Obtained a list of foster home beneficiaries.
2. Performed a physical verification of each foster home child where possible.
3. Agreed the details for each foster home child beneficiary to their respective birth certificate or identity document and confirmed the gender and race group.
 - The total number of child beneficiaries at the foster homes was 8
 - 5 children were not physically verified
 - All beneficiaries were South African citizens

C. Crèche beneficiaries

1. Obtained the attendance registers for each crèche.
2. Agreed the details for each beneficiary on the crèche register to their respective birth certificate and confirmed the gender and race group.
3. Performed a physical verification for each crèche.
 - The total number of children recorded on the registers was 569
 - 304 children did not have birth certificates
 - 174 children were physically verified
 - 0 children were Non-South African

D. Audit report

1. The total number and percentage of the beneficiaries of Focus on iThemba NPC (RF) split into their respective race groups and gender are as follows:

Scholarship beneficiaries:

Race Group	No. of Beneficiaries	%
Black	8	100%
Coloured	-	-
Indian	-	-
White	-	-
TOTAL	8	100%

No. of males	% Males	Females	% Females
3	37%	5	63%
-	-	-	-
-	-	-	-
-	-	-	-
3	37%	5	63%

Foster home beneficiaries:

Race Group	No. of Beneficiaries	%
Black	7	88%
Coloured	-	-
Indian	1	12%
White	-	-
TOTAL	8	100%

No. of males	% Males	Females	% Females
3	38%	4	50%
-	-	-	-
1	12%	-	-
-	-	-	-
4	50%	4	50%

Crèche beneficiaries:

Race Group	No. of Beneficiaries	%
Black	569	100%
Coloured	-	-
Indian	-	-
White	-	-
TOTAL	569	100%

No. of males	% Males	Females	% Females
289	51%	280	49%
-	-	-	-
-	-	-	-
-	-	-	-
289	51%	280	49%

Total Focus on iThemba beneficiaries:

Race Group	No. of Beneficiaries	%
Black	584	99.83%
Coloured	-	0.00%
Indian	1	0.17%
White	-	0.00%
TOTAL	585	100%

No. of males	% Males	Females	% Females
295	50.43%	289	49.40%
-	0.00%	-	0.00%
1	0.17%	-	0.00%
-	0.00%	-	0.00%
296	50.60%	289	49.40%

2. The percentage of Non-South African beneficiaries is 0.00%
3. The total number and percentage of the black designated group beneficiaries of Focus on iThemba NPC (RF) are as follows:

Total Focus on iThemba Black Designated Groups:

Black Designated Group	No. of Beneficiaries	%	No. of males	% Males	Females	% Females
TOTAL	585	100%	296	50.60%	289	49.40%

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the accuracy and completeness of the demographic representation as of the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties without our written consent. This report relates only to the demographic representation of the beneficiaries of Focus on iThemba NPC (RF) and does not extend to any financial statements of Focus on iThemba NPC (RF), taken as a whole.

Baker Tilly Morrison Murray
Baker Tilly Morrison Murray
Registered Auditor
903094E
Westville
Per: M Sharpley