Mellon Housing Initiative (Non-Profit Company)

(Registration Number: 2006/037539/08)

Annual Financial Statements
for the year ended 31 December 2024

AUDIT • ADVISORY • TAX

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To carry on the business of a community based business development project, and the construction of government subsidised houses for previously disadvantaged individuals
Directors	A. Brennan N. Mellon B. Mpulampula
Registered office	Mellon House Corner van Riebeeck (R102) & Station Road Blackheath 7580
Business address	Mellon House Corner van Riebeeck (R102) & Station Road Blackheath 7580
Postal address	PO Box 276 Blackheath 7581
Bankers	Standard Bank of South Africa Limited
Auditor	BDO South Africa Incorporated Registered Auditor
Secretary	G. Kleu
Company registration number	2006/037539/08
Level of assurance	These financial statements have been audited in compliance with Section 30(2)(b)(ii)(aa) of the Companies Act and as determined by the board.
Preparer	The annual financial statements were independently compiled by: Lisa Roodt CA(SA)

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The reports and statements set out below comprise the annual financial statements presented to the members:

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The external auditor is engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on page 6 - 8.

The financial statements set out on pages 9 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2025 and were signed on its behalf by:

N. Mellon

B. Mphampula

30 June 2025

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Mellon Housing Initiative (Non-Profit Company) for the year ended 31 December 2024.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

The company is engaged to carry on the business of a community based business development project, and the construction of the government subsidised houses and educational facilities for previously disadvantaged individuals and operates in South Africa.

Mellon Housing Initiative has expanded its construction business to include the building and upgrading of education facilities, the training of teachers and implementation of education programs and will be trading as Mellon Educate South Africa for these endeavours.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

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

2. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
A. Brennan	Irish
N. Mellon	Irish
B. Mpulampula	South African

There have been no changes to the directorate for the period under review.

3. Events after the reporting period

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

4. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Management has assessed the company's ability to continue as a going concern for the foreseeable future and is not aware of any factors beyond their period of assessment that may cast doubt on the company's ability to continue as a going concern. Management thus considers the use of the going concern principle to be appropriate in the preparation of the annual financial statements.

Mellon Housing Initiative has secured and commenced with construction projects which will run through 2025 and secured funding for the charity initiative to build 13 new Classrooms and 4 Grade R blocks at two schools through our partnership with the Western Cape Education department. We have secured muti year funding from Individuals and corporates to continue funding our Literacy hubs located accross 15 schools and plan to expand this by another 2 schools in 2025.

5. Auditors

BDO South Africa Incorporated continued in office in accordance with the Companies Act of South Africa.

Directors' Report

6. Secretary

The company secretary is G. Kleu.

Postal address	PO Box 276 Blackheath 7581
Business address	Mellon House Corner van Riebeeck (R102) & Station Road Blackheath 7580

Independent Auditor's Report

To the directors of

Mellon Housing Initiative (Non-Profit Company)

Opinion

We have audited the financial statements of Mellon Housing Initiative (Non-Profit Company) (the company) set out on pages 9 to 23, which comprise the statement of financial position as at 31 December 2024, 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, the financial statements present fairly, in all material respects, the financial position of Mellon Housing Initiative (Non-Profit Company) as at 31 December 2024 , 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 of 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 "Mellon Housing Initiative (Non-Profit Company) Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report 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 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'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 intend to liquidate the company or 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 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 the 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.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Fatima Rhoda
Director
Registered Auditor

30 June 2025

119-123 Hertzog Boulevard
Foreshore
Cape Town, 8001

Statement of Financial Position as at 31 December 2024

Figures in Rand	Note(s)	2024	2023 Restated *
Assets			
Non-Current Assets			
Property, plant and equipment	2	7 653 999	8 078 696
Investments in subsidiaries	3	100	100
		7 654 099	**8 078 796**
Current Assets			
Other financial assets	4	8 445 278	2 841 790
Inventories	5	1 572 819	628 817
Trade and other receivables	6	3 046 612	3 737 124
Gross amounts due from customers for contract work	7	4 561 687	7 572 307
Cash and cash equivalents	8	15 313 451	20 482 401
		32 939 847	**35 262 439**
Total Assets		**40 593 946**	**43 341 235**
Equity and Liabilities			
Equity			
Retained income		33 705 058	32 686 809
Liabilities			
Non-Current Liabilities			
Other financial liabilities	9	32 969	94 485
Current Liabilities			
Trade and other payables	10	3 567 006	2 046 935
Other financial liabilities	9	85 569	170 481
Deferred income	11	3 203 344	8 342 525
		6 855 919	**10 559 941**
Total Liabilities		**6 888 888**	**10 654 426**
Total Equity and Liabilities		**40 593 946**	**43 341 235**

* Restated due to prior year omission of the Investment in Subsidiary.

Statement of Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	12	61 222 224	55 904 250
Cost of sales	13	(56 408 062)	(49 753 676)
Gross surplus		**4 814 162**	**6 150 574**
Other income	14	-	20 438
Operating expenses	15	(5 476 769)	(6 530 754)
Operating deficit		**(662 607)**	**(359 742)**
Investment revenue	16	1 736 025	1 620 134
Finance costs	17	(55 169)	(54 265)
Surplus for the year		**1 018 249**	**1 206 127**
Other comprehensive income		-	-
Total comprehensive surplus for the year		**1 018 249**	**1 206 127**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 January 2023	**31 480 682**	**31 480 682**
Surplus for the year	1 206 127	1 206 127
Other comprehensive income	-	-
Total comprehensive surplus for the year	**1 206 127**	**1 206 127**
Balance at 01 January 2024	**32 686 809**	**32 686 809**
Surplus for the year	1 018 249	1 018 249
Other comprehensive income	-	-
Total comprehensive surplus for the year	**1 018 249**	**1 018 249**
Balance at 31 December 2024	**33 705 058**	**33 705 058**

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023 Restated *
Cash flows from operating activities			
Cash (used in) generated from operations	18	(3 734 253)	1 479 310
Interest income		1 736 025	1 620 134
Finance costs		(55 169)	(54 265)
Net cash from operating activities		**(2 053 397)**	**3 045 179**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(67 750)	(491 098)
Proceeds from sale of property, plant and equipment	2	80 645	49 480
Purchases of investment in subsidiary		-	(100)
Other financial asset advanced		(2 957 900)	(2 841 790)
Net cash from investing activities		**(2 945 005)**	**(3 283 508)**
Cash flows from financing activities			
Repayments of other financial liabilities		(100)	6 809
Instalment sale repayments		(170 448)	(367 257)
Net cash from financing activities		**(170 548)**	**(360 448)**
Total cash movement for the year		**(5 168 950)**	**(598 777)**
Cash and cash equivalents at the beginning of the year		20 482 401	21 081 178
Total cash at end of the year	8	**15 313 451**	**20 482 401**

* Restated due to prior year omission of the Investment in Subsidiary.

Accounting Policies

1. Basis of preparation and summary of material accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Key sources of estimation uncertainty

Allowance for slow moving, damaged and obsolete inventory

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating deficit note.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fixed assets

Management used their judgement and experience in determining residual values, estimating expected useful lives and identify the components of assets.

Sources of estimation uncertainties

Key assumptions have been made concerning the future and other key sources of estimation uncertainty at the reporting date, that could have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year.

Contract profit or loss recognition

Estimates are made of the total expected costs of individual contracts when applying the stage of completion method. In certain instances management is required to exercise judgement to determine whether the outcome of a contract can be reliably estimated.

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

Accounting Policies

1.2 Property, plant and equipment (continued)

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. 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	20 years
Plant and machinery	Straight line	5 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Containers	Straight line	5 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Although buildings are a depreciable asset, they have not yet been depreciated as the residual value is considered to be in excess of the carrying value. At such point in time when the residual value decreases to below the carrying value, depreciation will resume over a useful life of 20 years.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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 estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Investments in subsidiaries

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.4 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.6 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

Contracts in progress are stated at cost plus profit recognised to date, less cash received or receivable, less any provision for losses. The gross amounts due from customers, for which costs incurred plus recognised profits less recognised losses exceeds progress billings, and the gross amounts due to customers, for which progress billings exceed costs incurred plus recognised losses's, are disclosed on the face of the statement of financial position.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Accounting Policies

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Donations are recognised as revenue when receivable.

1.10 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Deferred income

Deferred income represents income received in advance for projects that were in progress at year end.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	6 400 753	-	6 400 753	6 400 753	-	6 400 753
Plant and machinery	3 229 722	(2 406 212)	823 510	3 239 814	(2 116 118)	1 123 696
Furniture and fixtures	687 586	(635 263)	52 323	678 057	(631 002)	47 055
Motor vehicles	606 147	(336 235)	269 912	716 147	(332 835)	383 312
Office equipment	44 774	(42 385)	2 389	44 774	(41 482)	3 292
IT equipment	419 032	(327 354)	91 678	384 133	(276 979)	107 154
Containers	268 675	(255 241)	13 434	268 675	(255 241)	13 434
Total	**11 656 689**	**(4 002 690)**	**7 653 999**	**11 732 353**	**(3 653 657)**	**8 078 696**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	6 400 753	-	-	-	6 400 753
Plant and machinery	1 123 696	11 703	(1 320)	(310 569)	823 510
Furniture and fixtures	47 055	9 530	-	(4 262)	52 323
Motor vehicles	383 312	-	(94 297)	(19 103)	269 912
Office equipment	3 292	-	-	(903)	2 389
IT equipment	107 154	46 517	(581)	(61 412)	91 678
Containers	13 434	-	-	-	13 434
	8 078 696	**67 750**	**(96 198)**	**(396 249)**	**7 653 999**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	6 400 753	-	-	-	6 400 753
Plant and machinery	1 116 459	411 291	(31 557)	(372 497)	1 123 696
Furniture and fixtures	46 913	3 126	-	(2 984)	47 055
Motor vehicles	442 864	-	-	(59 552)	383 312
Office equipment	5 567	-	(1 371)	(904)	3 292
IT equipment	101 904	76 681	(10 504)	(60 927)	107 154
Containers	13 434	-	-	-	13 434
	8 127 894	**491 098**	**(43 432)**	**(496 864)**	**8 078 696**

Property, plant and equipment pledged as security

The following assets have been pledged as security for the secured long-term borrowings 9:

	2024	2023
Plant and machinery	223 440	368 760

Details of properties

Comprising Erf 796, Rustdal

	2024	2023
- Purchase price: 17 September 2012	6 400 753	6 400 753

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Investments in subsidiaries

Name of subsidiary	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023*
Trugate Homes Proprietary Limited	100.00 %	100.00 %	100	100

All the entities are incorporated in South Africa and share the year end of the company.

The carrying amounts of subsidiaries are shown gross of impairment losses.

* Restated due to prior year omission of the Investment in Subsidiary.

4. Other financial assets

	2024	2023
At amortised cost		
Trugate Homes Proprietary Limited	8 445 278	2 841 790

The loan is unsecured, bears no interest and have no fixed terms of repayment.

	2024	2023
Current assets		
At amortised cost	8 445 278	2 841 790

5. Inventories

	2024	2023
Consumable materials	1 572 819	628 817

6. Trade and other receivables

	2024	2023
Trade receivables	380	205 689
Contract retentions	2 740 047	2 736 688
Prepayments	(92 016)	252 350
Deposits	130 127	40 001
VAT	81 349	84 770
Staff loans	(4 106)	17 289
Sundry receivables	190 831	400 337
	3 046 612	**3 737 124**

7. Gross amounts due from customers for contract work

	2024	2023
Current assets	4 561 687	7 572 307

The balance represents costs incurred plus recognised profits less the sum of recognised losses's and progress billings in accordance with Section 23 Revenue.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Gross amounts due from customers for contract work (continued)

Gross amounts due from customers for contract work		
Mannenberg "The Downs" Housing Project	595 186	1 367 205
Blompark Housing Project	462 210	1 428 946
Blitz 2023	-	1 005 909
Naphakade Primary School	-	3 203 182
Swartdam	-	495 798
Hawston Housing Project	-	71 357
Trugate Homes	2 329	-
Chuma Primary School	1 059 306	-
Blitz 2024	1 415 371	-
TY Blitz 2025	98 029	-
Gugulethu Infill Housing Projects	929 356	-
	4 561 787	**7 572 397**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	21 581	14 920
Bank balances	13 659 976	19 540 051
Bank balances kept for guarantees	1 631 894	927 430
	15 313 451	**20 482 401**

Guarantees		
Everite Buildings Product Proprietary Limited	150 000	150 000
The Hollard Insurance Company	1 481 894	777 430
	1 631 894	**927 430**

Securities

Pledge call deposit: unrestricted amount
Credit Agreement commercial: unrestricted amount

9. Other financial liabilities

At amortised cost		
Loan from Standard Bank	118 538	264 966

Loan payable over a period of 4 to 5 years and at an effective interest rates of 11.95% to 12.95% (2023: 11.2% to 12.95%) per annum. These liabilities are secured by tangible assets as per note 2 with a carrying amount of R 223 440 (2023: R 368 760).

Non-current liabilities		
At amortised cost	32 969	94 485
Current liabilities		
At amortised cost	85 569	170 481
	118 538	**264 966**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Trade and other payables

Trade payables	3 173 142	1 218 648
Accrued leave pay	291 429	238 410
Accruals	102 435	589 877
	3 567 006	**2 046 935**

11. Deferred income

Restricted Donations	3 203 344	8 342 525

The restricted donation received in the current year, relates to the donation received from various donors.

This is the only restricted donation received in the current year.

The donation received in the prior year, is a restrictive fund for the exclusive utilisation to fund the Literacy program over a period of 3 years. The amount represents income received in advance for projects that were in progress at the year end.

12. Revenue

Contract Revenue	26 904 360	27 050 018
Donations received in relation to Mellon Educate (refer to note 18)	21 690 008	16 897 917
Mellon Educate other income (refer to note 19)	12 627 856	11 956 315
	61 222 224	**55 904 250**

13. Cost of sales

Mellon Educate		
Mellon Educate Costs	32 664 416	25 588 201
Construction contracts		
Construction costs	23 743 646	24 165 475
	56 408 062	**49 753 676**

14. Other income

Profit on sale of assets	-	20 438

15. Operating expenses

Operating expenses include the following expenses:

Depreciation on property, plant and equipment	396 249	496 864
Employee costs Mellon Housing Initiative	8 263 414	9 818 584
Employee costs Mellon Educate	7 829 760	5 410 104

16. Investment revenue

Interest revenue		
Bank	1 736 025	1 620 134

17. Finance costs

Bank	55 169	54 265

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

18. Cash (used in) generated from operations

Net profit before taxation	1 018 249	1 206 127
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	372 674	496 864
Profit on sale of assets and liabilities	-	(6 048)
Other non-cash items	(2 582 340)	43 882
Investment income	(1 736 025)	(1 620 134)
Finance costs	55 169	54 265
Changes in working capital:		
(Increase) decrease in inventories	(944 002)	312 064
(Increase) decrease in trade and other receivables	690 512	(192 351)
Increase (decrease) in gross amount due to customers for contract work	-	(2 320 947)
(Increase) decrease in gross amounts due from customers for contract work	3 010 620	(1 826 038)
Increase (decrease) in trade and other payables	1 520 071	(637 671)
Increase (decrease) in deferred income	(5 139 181)	5 969 297
	(3 734 253)	**1 479 310**

19. Donations received in relation to Mellon Educate South Africa

Mellon Housing Initiative is moving into the construction and improvement of education facilities and training of teachers and implementation of education programs and will be trading as Mellon Educate for these endeavours.

During the year donations were received from the following donors:

Mellon Township Limited t/a Mellon Educate	5 819 423	2 239 518
Mellon Educate - United Kingdom	8 470 511	4 060 390
Mellon Educate - United Kingdom (Tom Gallagher)	973 570	-
Mellon Educate - United Kingdom (Equinox Trust)	1 303 413	4 753 148
Mellon Educate UK: Moffet Family	929 974	498 533
Mellon Educate - Ireland (McGettingan)	284 034	-
Nutun CX (Pty) Ltd	3 398 138	2 446 767
Des Warner	-	2 000 000
Hayden F Quin	-	250 000
Benerdikt/Katja/District 1841/Constance	-	490 478
Amplify5 (Pty) Ltd	335 815	-
M Klausmeyer	32 000	-
Other	143 130	159 083
	21 690 008	**16 897 917**

20. Other income in relation to Mellon Educate South Africa

WCED schools	12 544 610	11 602 922
Nutun CX (Pty) Ltd	-	330 543
Happy Valley School	3 246	4 388
Pick 'n Pay	-	12 497
Other	80 000	5 965
	12 627 856	**11 956 315**

21. Taxation

Mellon Housing Initiative has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act and its receipts and accruals are exempt from income tax in terms of the partial tax exemption rules contained in section 10(1)(nC) of the Act. No taxation has been provided for in the 2024 annual financial statements as the company has no taxable income for the 2024 year of assessment.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

22. Related parties

Relationships

Subsidiary	Trugate Homes Proprietary Limited
Common directorships	Mellon Township Limited (N Mellon & A Brennan) Mellon Educate UK (A Brennan) Umthi Wolwazi Facilitation & Project Management (B Mpulampula)
Directors	N Mellon A Brennan B Mpulampula

Related party balances and transactions with other related parties

Related party balances

	2024	2023
Loan accounts - Owing (to) by related parties		
Trugate Homes Proprietary Limited	8 445 278	2 841 790

Related party transactions

	2024	2023
Interest paid to (received from) related parties		
Trugate Homes Proprietary Limited	(363 327)	-
Administration fees paid to (received from) related parties		
Trugate Homes Proprietary Limited	943 138	-
Donations received from related parties		
Mellon Township Limited t/a Mellon Educate & Mellon Educate UK	13 200 588	9 233 106
Directors emoluments for services as executive directors		
Short-term employee benefits	962 146	919 772

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

23. Directors' and prescribed officer's remuneration

Executive

2024

Directors' emoluments	Emoluments	Bonuses and performance related payments	Expense allowances	Company contributions	Directors fees	Total
Services as director or prescribed officer						
A. Brennan	-	-	-	-	-	-
N. Mellon	-	-	-	-	-	-
B. Mpulampula	620 420	14 401	113 000	94 325	120 000	962 146
	620 420	**14 401**	**113 000**	**94 325**	**120 000**	**962 146**

2023

Directors' emoluments	Emoluments	Bonuses and performance related payments	Expense allowances	Company contributions	Directors fees	Total
Services as director or prescribed officer						
A. Brennan	-	-	-	-	-	-
N. Mellon	-	-	-	-	-	-
B. Mpulampula	591 675	27 828	91 319	88 950	120 000	919 772
	591 675	**27 828**	**91 319**	**88 950**	**120 000**	**919 772**

24. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Management has assessed the company's ability to continue as a going concern for the foreseeable future and it not aware of any factors beyond their period of assessment that may cash doubt on the company's ability to continue as a going concern. Management thus considers the use of the going concern principle to be appropriate in the preparation of the annual financial statements.

Mellon Housing Initiative has secured and commenced with construction projects which will run through 2025 and secured funding for the charity initiative to build 13 new Classrooms and 4 Grade R blocks at two schools through our partnership with the Western Cape Education department. We have secured muti year funding from Individuals and corporates to continue funding our Literacy hubs located accross 15 schools and plan to expand this by another 2 schools in 2025.

25. Events after the reporting period

The directors are not aware of any significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the annual financial statements, which significantly affect the financial position of the company or the results of its operations to the date of these annual financial statements.