

ANNUAL REPORT

FY 2019

"If it takes a village to raise a child, who will raise the village?"

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TO OUR STAKEHOLDERS

To Our Stakeholders

STRATEGIC HIGHLIGHTS

What our C.E.O., Rudi van Staden did in the 2019 period was to begin the process of documenting the James Agency, and to start structuring our approach within the Soweto care system.

Our C.E.O. also had to revisit what was our proof of concept. Our proof of concept was three levels: Care, financial agencies/ control and the social market. A lot of work in 2019 was done on the financial agency. The procurement of Azure, Microsoft EpiServer, these were contractual supports which allowed us to actually build the James Platform and bridge into the digital platform. Our C.E.O. spent most of that financial year in making that efficient. His work has proved invaluable.

We were also having to reconcile the financial accounting of our partner Take Action, that required a large amount of work in respect of requiring everything to balance.

During this year of focus upon proof of concept and consolidation, our C.E.O. had to redo some of the things that we thought were completed but were not. Academic research was also conducted by our embedded researcher, Ms. Marlie Holtzhausen.

This was a period of creating efficiency and effectiveness in the financial agency and at the same time building new development. So, it was existing administration and then new development, which was massive.

FINANCIAL HIGHLIGHTS

There was an unfortunate decrease in the amount of donations received in the previous year, this could be attributed to various factors. Certain funds were allocated for certain projects. We further maintained a level of sustainability from our previous year, with no major capital outlays, and our operating expenses were reduced. Overall, this reduced our net loss for the year from the previous period.

OPERATING HIGHLIGHTS

Many templates were developed and much work was made of creating standardized documents for the use of the Trust.

TO OUR STAKEHOLDERS

Our embedded researcher, is making use of the Trust and the Families we support as part of her P.hD studies. She conducted interviews and held assessments with our families during the later part of the year. This research will continue in the next period and we are excited to receive her findings in due course. We can already see major value to the strategic direction of the Trust due to her fastidious and exemplary work.

LOOKING AHEAD

We are looking forward to what our C.E.O., Rudi Van Staden will do in the 2020 period. 2020 would be where we went from proof of concept to go to market. The process of Commercialisation. The research conducted continues well ahead.



Robert Botha

Founder

March 1, 2019

FINANCIAL SUMMARY

Financial Summary

We wish to thank our Accountants, Van Zyl Accountants as well as our Auditors, MFG Inc, for their fastidious work.

A clean audit was produced for the financial year ending 2019 and we refer you to the report below.

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

James 1:27 Trust
(Registration number IT10446/04)
Annual Financial Statements
for the year ended 28 February 2019

These annual financial statements were prepared by:
K van Zyl Professional Accountant (SA)
Blue Cloud Accounting (Pty) Ltd



MFG
ACCOUNTANTS INC
Registered Auditors
Chartered Accountants (SA)

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter-Vivos Non Profit Trust
Trustees	TK Bolton (Chairperson) NP Goosen (Vice-Chairperson & Treasurer) RA Botha (Founder) JW Radley RH Urry (Resigned 24 March 2018) EM Pitsoane
Registered office	Innovation Centre, Office 68 6 Mark Shuttleworth Street Persequor Business Park, Ext 10 Pretoria 0020
Bankers	Absa Bank Limited First Rand Bank Limited
Auditors	MFG Accountants Inc 457 Rodericks Road Lynnwood Pretoria 0081
Trust registration number	IT10446/04
Tax reference number	0153487160
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.
Preparer	The annual financial statements were independently compiled by: K van Zyl Professional Accountant (SA) Blue Cloud Accounting (Pty) Ltd

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

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James 1:27 Trust

(Registration number: IT10446/O4)

Annual Financial Statements for the year ended 28 February 2019

Trustees' Responsibilities and Approval

The trustees 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 fairly present the state of affairs of the trust 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 basis of accounting described in Note 1.

The annual financial statements are prepared in accordance with the basis of accounting described in Note 1 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 trustees have reviewed the trust's cash flow forecast for the year to 29 February 2020 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees are satisfied that the activities undertaken by the trust are public benefit activities as listed in the Ninth Schedule of the Income Tax Act 58 of 1962.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the board of trustees on 12 June 2020 and were signed on its behalf by:

Approval of annual financial statements



Trustee



Trustee

MFG

ACCOUNTANTS INC

Reg. No. 2011/004038/21
Registered Auditors
Chartered Accountants (SA)
SAICA No. 30696334
IRBA No. 953756

Independent Auditor's Report

To the trustees of James 1:27 Trust

Opinion

We have audited the annual financial statements of James 1:27 Trust (the trust) set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of James 1:27 Trust for the year ended 28 February 2019 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements and the requirements of the Trust Property Control Act 57 of 1988.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 1 to the annual financial statements, which describes the basis of accounting. The annual financial statements are prepared in accordance with the trust's own accounting policies to satisfy the financial information needs of the trust's shareholders. As a result, the annual financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "James 1:27 Trust annual financial statements for the year ended 28 February 2019", which includes the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

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PO Box 11360, Hatfield, Pretoria, 0028
Directors: NP Cassells, C. Grabbelaar, PA Cassells, DC Malan

Independent Auditor's Report

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in Note 1 and the requirements of the Trust Property Control Act 57 of 1988, for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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


Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 trust'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 annual 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 trust to cease to continue as a going concern.

We communicate with the trustees 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.



C Grobbelaar CA(SA)
Registered Auditor
Director
MFG Accountants Inc
12 June 2020
Pretoria

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	10,609	5,496
Current Assets			
Trade and other receivables	3	21,396	21,662
Cash and cash equivalents	4	433,909	256,163
		455,305	277,825
Total Assets		465,914	283,321
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		125,630	630
Accumulated surplus		303,373	255,410
		429,103	256,140
Liabilities			
Current Liabilities			
Trade and other payables	5	35,399	26,968
Bank overdraft	4	1,412	213
		36,811	27,181
Total Equity and Liabilities		465,914	283,321

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Donations received		1,335,913	1,886,753
Accounting services rendered		27,484	34,231
Operating expenses		(1,191,164)	(2,297,646)
Operating surplus (deficit)		172,233	(376,662)
Investment revenue		730	3,587
Surplus (deficit) for the year		172,963	(373,075)
Other comprehensive income			
Total comprehensive income (loss) for the year		172,963	(373,075)

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Statement of Changes in Equity

	Trust capital	Long term investment reserve	Accumulated surplus	Total equity
Figures in Rand				
Balance at 1 March 2017	100	28,845	600,270	629,215
Deficit for the year	-	-	(373,075)	(373,075)
Other comprehensive income	-	-	-	-
Transfer from reserve	-	(28,215)	28,215	-
Balance at 1 March 2018	100	630	255,410	256,140
Surplus for the year	-	-	172,963	172,963
Other comprehensive income	-	-	-	-
Transfer between reserves	-	125,000	(125,000)	-
Balance at 28 February 2019	100	125,630	303,373	429,103

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash generated from (used in) operations	8	187,295	(378,799)
Interest income		730	3,587
Net cash from operating activities		188,025	(375,212)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(11,478)	(8,798)
Total cash movement for the year		176,547	(384,010)
Cash at the beginning of the year		255,950	639,960
Total cash at end of the year	4	432,497	255,950

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the trust 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.

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.

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 trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

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 trust.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

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 surplus or deficit when the item is derecognised.

1.2 Revenue

Revenue is recognised to the extent that the trust 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 trust. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Donations received are accounted for on the cash receipt basis.

1.3 Cash and cash equivalents

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

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	23,782	(23,765)	17	23,782	(23,765)	17
Office equipment	2,883	(2,880)	3	2,883	(2,880)	3
IT equipment	147,029	(136,460)	10,569	135,552	(130,096)	5,456
Computer software	76,153	(76,133)	20	76,153	(76,133)	20
Total	249,847	(239,238)	10,609	238,370	(232,874)	5,496

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	17	-	-	17
Office equipment	3	-	-	3
IT equipment	5,456	11,478	(6,365)	10,569
Computer software	20	-	-	20
	5,496	11,478	(6,365)	10,609

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	17	-	-	17
Office equipment	3	-	-	3
IT equipment	34	7,807	(2,385)	5,456
Computer software	220	991	(1,191)	20
	274	8,798	(3,576)	5,496

3. Trade and other receivables

Deposits	21,396	21,662
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James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances - CC Deposit	10,000	10,000
Bank balances - FNB 8737	196	395
Bank balances - Harley fund 4517	10,258	5,517
Bank balances - Current account 7563	41,536	24,579
Bank balances - James care 4307	34,863	44,152
Bank balances - M Holtzhausen 9313	47,322	49,899
Bank balances - Money market 0610	981	981
Bank balances - Neighbours 0831	2,226	418
Bank balances - Operations 4525	116,614	4,918
Bank balances - Paypal	-	513
Bank balances - Rous fund 6622	89	10,140
Bank balances - Sec Reserve 0482	630	630
Bank balances - School of Hope 6058	169,194	92,002
Bank balances - Transfer Control	-	12,019
	<u>433,909</u>	<u>256,163</u>
Bank overdraft - credit cards	(1,412)	(213)
	<u>432,497</u>	<u>255,950</u>
Current assets	433,909	256,163
Current liabilities	(1,412)	(213)
	<u>432,497</u>	<u>255,950</u>
5. Trade and other payables		
Trade payables	15,743	-
VAT	6,625	648
Sundry creditors	3,531	-
Provision for audit fees	9,500	26,320
	<u>35,399</u>	<u>26,968</u>
6. Taxation		
No provision has been made for taxation as the trust is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.		
7. Auditor's remuneration		
Fees	24,295	13,600
8. Cash generated from (used in) operations		
Surplus (deficit) before taxation	172,963	(373,075)
Adjustments for:		
Depreciation and amortisation	6,365	3,576
Interest received	(730)	(3,587)
Changes in working capital:		
Trade and other receivables	266	11,107
Trade and other payables	8,431	(16,820)
	<u>187,295</u>	<u>(378,799)</u>



James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in Rand 2019 2018

9. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	90,935	77,496
- in second to fifth year inclusive	140,434	230,169
	<u>231,369</u>	<u>307,665</u>

10. Related parties

Relationships

Trustees

TK Bolton
NP Goosen
RA Botha
JW Radley
RH Urry
EM Pitsoane

Management

RO von Staden

Related party transactions

Donations received

TK Bolton	22,000	247,700
JW Radley	1,270	381
RH Urry	211,000	165,000
RO von Staden	7,750	277
	<u>242,020</u>	<u>413,358</u>

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 28 February 2019

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Donations received		1,335,913	1,886,753
Other income			
Accounting services rendered		27,484	34,231
Operating expenses			
Accounting fees		(58,959)	(74,053)
Auditors remuneration	7	(24,295)	(13,600)
Bank charges		(29,342)	(30,762)
Care expenses		(417,242)	(1,287,650)
Computer expenses		(3,411)	(19,359)
Conference fees		(1,488)	-
Depreciation		(6,365)	(3,576)
Employee costs		(537,255)	(470,750)
Entertainment		-	(2,157)
Insurance		-	(1,361)
Motor vehicle expenses		-	(146,109)
Municipal expenses		(2,956)	-
Office expenses		(672)	(1,278)
Postage		(495)	(900)
Printing and stationery		(1,047)	(2,538)
Rent		(85,273)	(115,355)
Repairs and maintenance		-	(1,595)
Small equipment		(1,632)	(5,987)
Telephone and fax		(15,435)	(62,280)
Travel - local		(5,297)	(29,865)
Travel - overseas		-	(28,471)
		(1,191,164)	(2,297,646)
Operating surplus (deficit)		172,233	(376,662)
Investment income		730	3,587
Surplus (deficit) for the year		172,963	(373,075)

TO OUR STAKEHOLDERS

Contact Information

ROBERT BOTHA
FOUNDER

TRACY BOLTON
CHAIRPERSON

NEIL GOOSEN-VICE
CHAIRPERSON
TREASURER



James 1:27 Trust

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