

JAMES 1:27
TRUST

ANNUAL REPORT

FY 2020

"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

In 2020, the Agency system was by now already developed and functioning with really high levels of accuracy. In 2020, the big shift was, now we have a product that can go to market. So, we shifted from proof of concept to go to market, the commercialisation of the Trust.

Before we could even think of scaling we now had to test the product on the market and understand whether the market would want our product and whether it was sustainable. The board took a decision to see whether we cannot charge for services to our 'Client', which in this case was referenced as the NGO that would procure the services of the Trust. We started exploring who would our clients be and how would that look. Our C.E.O. went into a partnership with an NGO in Soweto, since he left we haven't followed up on those contacts, but they are quite a big NGO and it would be good to see whether some collaboration could take place.

We do not think that this business model has worked. It could be because not enough effort has gone in or because there is not enough funding from the NGO or for whatever reason, but this has not worked, and we need to understand why. It would be good to have a discussion. It is not part of the scope of the PhD being completed by our embedded researcher, but it is a very important discussion.

We have a few clients that we are off-ramping currently, long-term the focus should become our assistance to them for achieving independence and a refocus upon new projects and operations.

Then our C.E.O. left in October (2019), so from October (2019) to February (2020) was an intense period of disruption for the Trust. With the change of C.E.O., we realised that we cannot replace this position, because of his unique skills and also the unique requirements for that position. In that period, I stepped back into the role. As founder I entered into my role as chairman and took on a more operational role.

We took a decision to move the Trust offices, close the office and put everything into storage and work from home, which would prove to be quite a fortuitous decision. We are looking towards the appointment of several service providers, fee-earning consultants who can be relied upon for their commitment to the Trust, as well as their technical expertise in closing up the gap left by the departure of our C.E.O.

TO OUR STAKEHOLDERS

FINANCIAL HIGHLIGHTS

We were able to maintain a steady level of donations compared to the previous year. Much thanks must go to our loyal supporters. We continued with our level of sustainability from our previous year. With our expenses further reduced, we were able to improve our financial position over the course of the year.

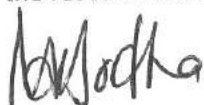
OPERATING HIGHLIGHTS

Our embedded researcher, Ms. Marlie Holtzhausen, conducted interviews and facilitated group discussions during the early part of the year. Mid-year she alighted to continue studies in Germany, her return was eagerly anticipated. She continues the process of completing her work during the coming year.

In September 2019 we consolidated our strategic objectives and archived many of our resources in a cloud-based platform, for easy use and secure storage.. our C.E.O. also created a number of learning resources for our Agency and financial platform.

LOOKING AHEAD

We are looking forward to our new dawn in the financial year 2021, with the changes brought about by the resignation of our C.E.O. Rudi Van Staden, we enter a new space. We accept the pain and will go through it, in doing so, we will look forward to the contributions of our service providers. The results of the research conducted will inform our strategy and decisions going forward.



Robert Botha

Founder

March 1, 2020

FINANCIAL SUMMARY

Financial Summary

We wish to thank our Accountants, K Van Zyl Accountants, Blue cloud Accounting (Pty) Ltd as well as our Auditors, MFG Inc, for their fastidious work.

A clean audit was produced for the financial year ending 2020 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 29 February 2020

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 29 February 2020

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) J Loubser EM Pitsoane JW Radley
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 29 February 2020

Contents

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

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James 1:27 Trust

(Registration number: IT10448/04)

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 29 February 2020, 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 29 February 2020 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 29 February 2020", 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 Grobbelaar, 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 29 February 2020

Statement of Financial Position as at 29 February 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	4 181	10 609
Current Assets			
Trade and other receivables	3	24 504	21 396
Cash and cash equivalents	4	648 477	433 909
		672 981	455 305
Total Assets		677 162	465 914
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		250 630	125 630
Accumulated surplus		390 669	303 373
		641 399	429 103
Liabilities			
Current Liabilities			
Trade and other payables	5	32 200	35 399
Bank overdraft	4	3 563	1 412
		35 763	36 811
Total Equity and Liabilities		677 162	465 914

James 1:27 Trust

(Registration number: IT10-446/04)

Annual Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Donations received		1 339 609	1 335 913
Accounting services rendered		29 541	27 484
Operating expenses		(1 158 411)	(1 191 164)
Operating surplus		210 739	172 233
Investment revenue		1 564	730
Finance costs		(7)	-
Surplus for the year		212 296	172 963
Other comprehensive income		-	-
Total comprehensive income for the year		212 296	172 963

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Statement of Changes in Equity

	Trust capital	Long term investment reserve	Accumulated surplus	Total equity
Figures in Rand				
Balance at 01 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 01 March 2019	100	125 630	303 373	429 103
Surplus for the year	-	-	212 296	212 296
Other comprehensive income	-	-	-	-
Transfer between reserves	-	125 000	(125 000)	-
Balance at 29 February 2020	100	250 630	390 669	641 399

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash generated from operations	8	210 860	187 295
Interest income		1 564	730
Finance costs		(7)	-
Net cash from operating activities		212 417	188 025
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(11 478)
Total cash movement for the year		212 417	176 547
Cash at the beginning of the year		432 497	255 950
Total cash at end of the year	4	644 914	432 497

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

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 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

2. Property, plant and equipment

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	17	-	17
Office equipment	3	-	3
IT equipment	10 569	(6 428)	4 141
Computer software	20	-	20
	10 609	(6 428)	4 181

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

3. Trade and other receivables

Trade receivables	1 524	-
Deposits	22 980	21 396
	24 504	21 396

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances - CC Deposit	10 000	10 000
Bank balances - FNB 8737	203 897	196
Bank balances - Harley Fund 4517	22 074	10 258
Bank balances - Current account 7563	15 429	41 536
Bank balances - James care 4307	37 707	34 863
Bank balances - M Holtzhausen 9313	43 582	47 322
Bank balances - Money market 0610	61 583	981
Bank balances - Neighbours 0831	4 707	2 226
Bank balances - Operations 4525	157 173	116 614
Bank balances - Rous fund 6622	1 437	89
Bank balances - Sec reserve 0482	630	630
Bank balances - School of Hope 6058	90 258	169 194
	648 477	433 909
Bank overdraft - credit cards	(3 563)	(1 412)
	644 914	432 497
Current assets	648 477	433 909
Current liabilities	(3 563)	(1 412)
	644 914	432 497

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
5. Trade and other payables		
Trade payables	1 522	15 743
VAT	11 460	6 625
Sundry creditors	218	3 531
Provision for audit fees	19 000	9 500
	32 200	35 399
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	9 500	24 295
8. Cash generated from operations		
Surplus before taxation	212 296	172 963
Adjustments for:		
Depreciation and amortisation	6 428	6 365
Interest received	(1 564)	(730)
Finance costs	7	-
Changes in working capital:		
Trade and other receivables	(3 108)	266
Trade and other payables	(3 199)	8 434
	210 860	187 295
9. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	89 210	90 935
- in second to fifth year inclusive	42 224	140 434
	131 434	231 369

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

10. Related parties

Relationships

Trustees

TK Bolton
NP Goosen
RA Botha
J Loubser
EM Pitsoane
JW Radley
RH Urry
RO von Staden

Management

Related party transactions

Donations received

TK Bolton	24 000	22 000
RA Botha	6 000	-
J Loubser	339 882	-
JW Radley	1 524	1 270
RH Urry	277 000	211 000
RO von Staden	10 070	7 750

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Donations received		1 339 609	1 335 913
Other income			
Accounting services rendered		29 541	27 484
Expenses (Refer to page 15)		(1 158 411)	(1 191 164)
Operating surplus		210 739	172 233
Investment income		1 564	730
Finance costs		(7)	-
		1 557	730
Surplus for the year		212 296	172 963

James 1:27 Trust

(Registration number: IT10446/04)

Annual Financial Statements for the year ended 29 February 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Operating expenses			
Accounting fees		(59 059)	(58 959)
Auditors remuneration	7	(9 500)	(24 295)
Bank charges		(41 039)	(29 342)
Care expenses		(455 044)	(417 242)
Computer expenses		(4 075)	(3 411)
Conference fees		-	(1 488)
Depreciation		(6 428)	(6 365)
Employee costs		(466 370)	(537 255)
Entertainment		(1 019)	-
Municipal expenses		-	(2 956)
Office expenses		(2 936)	(672)
Postage		-	(495)
Printing and stationery		(1 721)	(1 047)
Rent		(68 506)	(85 273)
Repairs and maintenance		(700)	-
Small equipment		-	(1 632)
Telephone and fax		(17 749)	(15 435)
Training		(24 265)	-
Travel - local		-	(5 297)
		(1 158 411)	(1 191 164)

TO OUR STAKEHOLDERS

Contact Information

ROBERT BOTHA
FOUNDER

TRACY BOLTON
CHAIRPERSON

NEIL GOOSEN-VICE
CHAIRPERSON
TREASURER



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