

James 1:27 Trust
Annual financial statements
for the year ended 29 February 2016

James 1:27 Trust

(Registration number 10446/04)

Annual Financial Statements for the year ended 29 February 2016

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter-vivos trust
Trustees	R Botha (CEO) JW Radley R Urry N Goosen (Vice-Chairman & Treasurer) T Bolton (Chairman) B Pitsoane
Business address	Innovation Centre, Office 68 6 Mark Shuttleworth Street Presequor Business Park, Ext 10, Pretoria
Postal address	P. O. Box 58 Innovation Hub, 0087
Bankers	ABSA Bank Limited First Rand Bank Limited
Auditors'	Grant Thornton Chartered Accountants (S.A.) Registered Auditors Member of Grant Thornton International
Trust registration number	10446/04
Preparer	The annual financial statements were independently compiled by: Grant Thornton Pretoria Advisory Services Proprietary Limited

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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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 as set out in Note 1 to the financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements 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 trustees 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 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 28 February 2017 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 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 auditor's 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 trustees on 3 February 2017 and were signed on their behalf by:



Trustee



Trustee

Independent Auditor's Report

To the trustees of James 1:27 Trust

We have audited the annual financial statements of James 1:27 Trust, as set out on pages 6 to 12, which comprise the statement of financial position as at 29 February 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion


In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements of James 1:27 Trust for the year then ended 29 February 2016 are prepared, in all material respects, in accordance with the basis of accounting described in note to the annual financial statements.

Other matter

We draw attention to the fact that supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



Grant Thornton
Chartered Accountants (S.A.)
Registered Auditors

NC Kyriacou
Chartered Accountant (S.A.)
Registered Auditor

3 February 2017

Building 2, Summit Place
221 Garstfontein Road

0181

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Annual Financial Statements for the year ended 29 February 2016

Statement of Financial Position as at 29 February 2016

	Note	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	4 417	14 696
Current Assets			
Trade and other receivables		146 306	156 094
Cash and cash equivalents		806 757	845 214
		953 063	1 001 308
Total Assets		957 480	1 016 004
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		52 171	750 000
Accumulated surplus		801 111	241 190
		853 382	991 290
Liabilities			
Current Liabilities			
Trade and other payables		104 098	24 714
Total Equity and Liabilities		957 480	1 016 004

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Statement of Comprehensive Income

	2016 R	2015 R
Revenue	3 832 564	1 732 346
Operating expenses	(4 000 381)	(1 733 848)
Operating deficit	(167 817)	(1 502)
Investment revenue	29 909	50 300
Finance costs	-	(2 147)
(Deficit) surplus for the year	(137 908)	46 651

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Statement of Changes in Equity

	Trust capital	Long Term Investment Reserve	Accumulated surplus	Total equity
	R	R	R	R
Balance at 1 March 2014	100	750 000	194 539	944 639
Surplus for the year	-	-	46 651	46 651
Total comprehensive income for the year	-	-	46 651	46 651
Balance at 1 March 2015	100	750 000	241 190	991 290
Deficit for the year	-	-	(137 908)	(137 908)
Total comprehensive deficit for the year	-	-	(137 908)	(137 908)
Transfer from reserve	-	(697 829)	697 829	-
Total changes	-	(697 829)	697 829	-
Balance at 29 February 2016	100	52 171	801 111	853 382

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Statement of Cash Flows

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Cash used in operations	5	(67 728)	(136 500)
Interest income		29 909	50 300
Finance costs		-	(2 147)
Net cash from operating activities		(37 819)	(88 347)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(638)	(1 685)
Total cash movement for the year		(38 457)	(90 032)
Cash at the beginning of the year		845 214	935 246
Total cash at end of the year		806 757	845 214

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared 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

Costs include 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 are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 Years
Office equipment	5 Years
Computer equipment	3 Years
Computer software	2 Years

The depreciation charge for each period is recognised in profit and loss.

1.2 Revenue

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

Donations received are accounted for on the cash receipt basis. Donations in kind are accounted for at fair value.

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Annual Financial Statements for the year ended 29 February 2016

Notes to the Annual Financial Statements

	2016			2015		
	R			R		
2. Property, plant and equipment						
	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	23 782	(20 328)	3 454	23 432	(17 504)	5 928
Office equipment	2 883	(2 630)	253	2 883	(2 228)	655
IT equipment	127 745	(127 626)	119	127 745	(120 695)	7 050
Computer software	74 781	(74 190)	591	74 493	(73 430)	1 063
Total	229 191	(224 774)	4 417	228 553	(213 857)	14 696

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	5 928	350	(2 824)	3 454
Office equipment	655	-	(402)	253
IT equipment	7 050	-	(6 931)	119
Computer software	1 063	288	(760)	591
	14 696	638	(10 917)	4 417

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	8 282	900	(3 254)	5 928
Office equipment	1 072	-	(417)	655
IT equipment	14 681	-	(7 631)	7 050
Computer software	786	785	(508)	1 063
	24 821	1 685	(11 810)	14 696

3. 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.

4. Auditor's remuneration

Fees	11 300	10 600
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5. Cash used in operations

(Deficit) surplus before taxation	(137 908)	46 651
Adjustments for:		
Depreciation and amortisation	10 917	11 809
Interest received	(29 909)	(50 300)
Finance costs	-	2 147
Changes in working capital:		
Trade and other receivables	9 788	(128 033)
Trade and other payables	79 384	(18 774)
	(67 728)	(136 500)

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Notes to the Annual Financial Statements

	2016 R	2015 R
6. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	10 450	61 750
- in second to fifth year inclusive	-	10 450
	10 450	72 200

Operating lease payments represent rentals payable by the trust for office properties.

7. Related parties

Relationships

Trustees

R Botha
C Makwakwa
R Urry
JW Radley
N Goosen
T Bolton
B Pitsoane

Related party transactions

Donations received from trustees

C Makwakwa	-	2 400
JW Radley	-	889
N Goosen	-	497
RA Kasonga	-	4 312
R Botha	-	16 150
R Urry	102 000	103 000
S de Kock	-	1 000
T Bolton	-	3 000
	102 000	131 248

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Detailed Income Statement

	Note	2016 R	2015 R
Revenue			
Donations		3 832 564	1 732 346
Other income			
Interest received		29 909	50 300
Operating expenses			
Accounting fees		53 865	50 225
Advertising		5 019	4 099
Auditors remuneration	4	11 300	10 600
Bank charges		21 399	15 616
Computer expenses		13 909	15 501
Conference fees		32 982	1 926
Consulting fees		41 656	46 058
Consumables		8 798	7 545
Depreciation		10 917	11 809
Donations		4 400	25 828
Employee costs		591 388	589 453
Entertainment		4 539	6 308
Licence fees		10 061	25 016
Magazines, books and periodicals		863	1 124
Office expenses		116	537
Postage		380	328
Printing and stationery		7 142	10 107
Rental operating lease		61 750	58 026
Shelter & care fund expenses		3 020 743	805 433
Subscriptions		624	-
Telephone and fax		19 591	17 019
Training		40 569	2 719
Travel - local		38 370	28 571
		4 000 381	1 733 848
Operating (deficit) surplus		(137 908)	48 798
Finance costs		-	(2 147)
(Deficit) surplus for the year		(137 908)	46 651