

**JAMES 1:27 TRUST**  
**(Registration number IT10446/04)**  
**Annual Financial Statements**  
**for the year ended 28 February 2018**

**Audited Financial Statements**

Prepared: Van Zyl Accountants (Pty) Ltd

Position: Professional Accountants (SA)

Audited: SizweNtsalubaGobodo Grant Thornton Inc  
Registered Auditors and Chartered Accountants (SA)

Issued 1 December 2018

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Annual Financial Statements for the year ended 28 February 2018

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# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Annual Financial Statements for the year ended 28 February 2018

## GENERAL INFORMATION

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>TYPE OF TRUST</b>	Inter-Vivos Trust
<b>TRUSTEES</b>	TK Bolton (Chairperson) NP Goosen (Vice-Chairperson & Treasurer) RA Botha (Founder) JW Radley RH Urry EM Pitsoane
<b>BUSINESS ADDRESS</b>	Innovation Centre, Office 68 6 Mark Shuttleworth Street Presequor Business Park, Ext 10 Pretoria
<b>BANKERS</b>	ABSA Bank Limited First Rand Bank Limited
<b>INCOME TAX REGISTRATION NUMBER</b>	0153487160
<b>INDEPENDENT AUDITORS</b>	SizweNtsalubaGobodo Grant Thornton Inc Chartered Accountants (SA) Registered Auditors Member of Grant Thornton International
<b>TRUST REGISTRATION NUMBER</b>	IT10446/04
<b>THE ANNUAL FINANCIAL STATEMENTS WERE INDEPENDENTLY COMPILED BY</b>	Van Zyl Accountants (Pty) Ltd

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Annual Financial Statements for the year ended 28 February 2018

## TRUSTEES' RESPONSIBILITIES AND APPROVAL

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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 applied and supported by reasonable and prudent judgements 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 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 28 February 2019 and, in light of this review and 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 independent 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 the report is presented on page 4 to 5.

The annual financial statements are set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the trustees on 1 December 2018 and were signed on their behalf by:



Trustee



Trustee

## **Independent Auditors' Report**

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**To the trustees of James 1:27 Trust**

### **Qualified opinion**

We have audited the annual financial statements of James 1:27 Trust set out on pages 6 to 14, which comprise the statement of financial position as at 28 February 2018, 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, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statement of James 1:27 Trust as at 28 February 2018, are presented, in all material respects, in accordance with the basis of accounting as set out in Note 1 to the financial statements and the requirements of Local legislation over trusts.

### **Basis for 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 impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust 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 annual 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis of matter – Basis of accounting**

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

### **Supplementary information**

The trustees are responsible for the other information. The other information does not include the annual financial statements and our auditors' 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, 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 trustees for the Annual Financial Statements**

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Local legislation over trusts, 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.

### **Auditors' responsibilities for the audit of the Annual 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 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 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 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 auditors' 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 auditors' 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**N C Kyriacou**  
**SizweNtsalubaGobodo Grant Thornton Inc**  
**Director**  
**Registered Auditor**  
**01 December 2018**

**Building 4, Summit Place**  
**221 Garstfontein Road**  
**Menlyn**  
**0181**

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	5 496	274
<b>Current Assets</b>			
Trade and other receivables	4	21 662	32 769
Cash and cash equivalents	5	255 950	639 960
		<b>277 612</b>	<b>672 729</b>
<b>Total Assets</b>		<b>283 108</b>	<b>673 003</b>
<b>Trust Funds and Liabilities</b>			
<b>Trust Fund</b>			
Trust Capital		100	100
Accumulated Surplus		255 410	600 270
Reserves		630	28 845
		<b>256 140</b>	<b>629 215</b>
<b>Current Liabilities</b>			
Trade and other payables	7	26 968	43 788
		<b>26 968</b>	<b>43 788</b>
<b>Total Funds and Liabilities</b>		<b>283 108</b>	<b>673 003</b>

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2018	2017
Donations received	1 886 753	4 667 117
Accounting services rendered	34 231	62 065
Operating costs	(2 297 646)	(4 964 484)
<b>Operating deficit</b>	<b>(376 662)</b>	<b>(235 302)</b>
Finance income	3 587	11 151
Finance costs	-	(16)
<b>Net deficit for the year</b>	<b>(373 075)</b>	<b>(224 167)</b>



# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## STATEMENT OF CHANGES IN TRUST FUNDS

Figures in R	Trust capital	Long term Investment Reserve	Accumulated surplus	Total Trust Funds
<b>Balance at 1 March 2016</b>	100	52 171	801 111	853 382
<b>Total comprehensive income for the year</b>				
Deficit for the year	-	-	(224 167)	(224 167)
<b>Total comprehensive income for the year</b>	-	-	(224 167)	(224 167)
Transfer from reserve	-	(23 326)	23 326	-
<b>Balance at 28 February 2017</b>	<b>100</b>	<b>28 845</b>	<b>600 270</b>	<b>629 215</b>
<b>Balance at 1 March 2017</b>	100	28 845	600 270	629 215
<b>Total comprehensive income for the year</b>				
Deficit for the year	-	-	(373 075)	(373 075)
<b>Total comprehensive income for the year</b>	-	-	(373 075)	(373 075)
Transfer from reserve	-	(28 215)	28 215	-
<b>Balance at 28 February 2018</b>	<b>100</b>	<b>630</b>	<b>255 410</b>	<b>256 140</b>

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## STATEMENT OF CASH FLOWS

Figures in R	Note	2018	2017
<b>Cash flows used in operating activities</b>			
Loss for the year		(373 075)	(224 167)
<i>Adjustments for:</i>			
Finance costs		-	16
Depreciation		3 576	4 523
Investment income		(3 587)	(11 151)
<b>Operating cash flow before working capital changes</b>		<b>(373 086)</b>	<b>(230 779)</b>
<i>Working capital changes</i>			
Decrease in trade and other receivables		11 107	113 539
Decrease in trade and other payables		(16 820)	(60 311)
<b>Net cash flows used in operations</b>		<b>(378 799)</b>	<b>(177 551)</b>
Investment income		3 587	11 151
Finance costs		-	(16)
<b>Net cash flows used in operating activities</b>		<b>(375 212)</b>	<b>(166 416)</b>
<b>Cash flows used in investing activities</b>			
Property, plant and equipment acquired	3	(8 798)	(381)
<b>Net cash flows used in investing activities</b>		<b>(8 798)</b>	<b>(381)</b>
Net decrease in cash and cash equivalents		(384 010)	(166 797)
Cash and cash equivalents at beginning of the year		639 960	806 757
<b>Cash and cash equivalents at end of the year</b>	5	<b>255 950</b>	<b>639 960</b>

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## ACCOUNTING POLICIES

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### 1. General information

James 1:27 Trust is a trust founded in South Africa. The type of trust and its principal activities is that of a Inter-Vivos Trust.

### 2. Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the accounting policies as set 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.

#### 2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or services in the ordinary course of the trust's activities. Revenue is shown net of value-added tax, returns, and discounts.

The trust recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the trust's activities, as described below:

##### 2.1.1 Donations received

Donations received are accounted for on the cash receipt basis.

##### 2.1.2 Interest income

Interest income is recognised using the effective interest rate method.

#### 2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	16.67%
Office equipment	20.00%
Computer equipment	33.33%
Computer software	50.00%

# **JAMES 1:27 TRUST**

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## **ACCOUNTING POLICIES**

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### **2.3 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)

Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R 2018 2017

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2018 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Furniture and fittings	23 782	(23 765)	17	23 782	(23 765)	17
Office equipment	2 883	(2 880)	3	2 883	(2 880)	3
Computer equipment	135 552	(130 096)	5 456	127 745	(127 711)	34
Computer software	76 153	(76 133)	20	75 162	(74 942)	220
	<u>238 370</u>	<u>(232 874)</u>	<u>5 496</u>	<u>229 572</u>	<u>(229 298)</u>	<u>274</u>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	17	-	-	-	17
Office equipment	3	-	-	-	3
Computer equipment	34	7 807	-	(2 385)	5 456
Computer software	220	991	-	(1 191)	20
	<u>274</u>	<u>8 798</u>	<u>-</u>	<u>(3 576)</u>	<u>5 496</u>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	3 454	-	-	(3 437)	17
Office equipment	253	-	-	(250)	3
Computer equipment	119	-	-	(85)	34
Computer software	591	381	-	(752)	220
	<u>4 417</u>	<u>381</u>	<u>-</u>	<u>(4 524)</u>	<u>274</u>

### 4. Trade and other receivables

Deposits	<u>21 662</u>	<u>32 769</u>
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# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2018	2017
<b>5. Cash and cash equivalents</b>		
<b>Favourable cash balances</b>		
Bank balances - CC Deposit	10 000	-
Bank balances - Anine Viljoen	-	4 958
Bank balances - FNB 8737	395	660
Bank balances - Harley fund 4517	5 517	2 757
Bank balances - Current account 7563	24 579	8 155
Bank balances - James care 4307	44 152	5 468
Bank balances - M Holtzhauen 9313	49 899	44 959
Bank balances - Money market 0610	981	1 031
Bank balances - Neighbours 0831	418	6 844
Bank balances - On a cloud	-	500
Bank balances - Operations 4525	4 918	19 907
Bank balances - Paypal	513	-
Bank balances - Rous fund 6622	10 140	3 950
Bank balances - Sagepay	-	10 094
Bank balances - Sec Reserve 0482	630	28 845
Bank balances - Siyaphila	-	1 720
Bank balances - Take Action	-	338 611
Bank balances - Zac-Aubin Education fund	-	60
Bank balances - School of Hope 6058	92 002	144 545
Bank balances - Transfer Control	12 019	23 385
	<u>256 163</u>	<u>646 449</u>
<b>Overdraft</b>		
Credit cards	213	4 963
Bank overdraft - Paypal	-	236
Petty cash	-	1 289
	<u>213</u>	<u>6 488</u>
Current assets	256 163	646 449
Current liabilities	(213)	(6 489)
	<u>255 950</u>	<u>639 960</u>
<b>6. Commitments under operating leases</b>		
<b>Minimum lease payments due</b>		
Within one year	77 496	38 838
In second to fifth year	230 169	14 113
	<u>307 665</u>	<u>52 951</u>

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2018	2017
<b>7. Trade and other payables</b>		
Value Added Tax	648	9 544
Provision for audit fees	26 320	12 720
Trade and other payables	-	21 524
	<u>26 968</u>	<u>43 788</u>
<b>8. Auditors' remuneration</b>		
Audit fees	13 600	12 720
	<u>13 600</u>	<u>12 720</u>
<b>9. Income tax expense</b>		
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.		
<b>10. Related parties</b>		
<b>Relationships</b>		
Trustees	TK Bolton	
	NP Goosen	
	RA Botha	
	JW Radley	
	RH Urry	
	EM Pitsoane	
Management	RO von Staden	
<b>Related party transactions</b>		
<b>Donations received</b>		
RH Urry	165 000	135 000
TK Bolton	247 700	22 000
RO von Staden	277	-
JW Radley	381	-
	<u>413 358</u>	<u>157 000</u>

# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## DETAILED INCOME STATEMENT

Figures in R	2018	2017
<b>Income</b>		
Donations received	1 886 753	4 667 117
<b>Other income</b>		
Accounting services rendered	34 231	62 065
Investment income	3 587	11 151
	37 818	73 216
<b>Total income</b>	<b>1 924 571</b>	<b>4 740 333</b>
<b>Expenditure</b>		
Accounting fees	74 053	135 511
Advertising	-	1 050
Auditors' remuneration	13 600	12 720
Bank charges	30 762	37 047
Care expenses	1 287 650	3 647 740
Computer expenses	19 359	70 565
Conference fees	-	25 107
Depreciation	3 576	4 523
Electricity and water	-	100
Entertainment	2 157	44 913
Finance costs	-	16
Insurance	1 361	10 249
Motor vehicle expense	146 109	5 615
Office expenses	1 278	20 047
Postage	900	190
Printing and stationery	2 538	9 554
Rent	115 355	167 340
Repairs and maintenance	1 595	8 132
Salaries	470 750	541 940
Small equipment	5 987	1 350
Telephone and fax	62 280	81 756
Training	-	15 000
Travel - international	28 471	-
Travel - local	29 865	124 035
	2 297 646	4 964 500
<b>Net deficit</b>	<b>(373 075)</b>	<b>(224 167)</b>

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



# JAMES 1:27 TRUST

(Registration Number IT10446/04)

Financial Statements for the year ended 28 February 2018

## DETAILED INCOME STATEMENT 2018 - TRUST AND FUNDS

Figures in R	Trust Operations	Managed Funds and Care	Total
<b>Income</b>			
Donations received	626 538	1 260 215	1 886 753
	<u>626 538</u>	<u>1 260 215</u>	<u>1 886 753</u>
<b>Other income</b>			
Accounting services rendered	34 231	-	34 231
Investment income	1 868	1 719	3 587
	<u>36 099</u>	<u>1 719</u>	<u>37 818</u>
<b>Total income</b>	<b><u>662 637</u></b>	<b><u>1 261 934</u></b>	<b><u>1 924 571</u></b>
<b>Expenditure</b>			
Accounting fees	35 641	38 412	74 053
Auditors' remuneration	13 600	-	13 600
Bank charges	25 169	5 594	30 762
Care expenses	-	1 287 650	1 287 650
Computer expenses	6 331	13 028	19 359
Depreciation	3 576	-	3 576
Entertainment	2 157	-	2 157
Insurance	-	1 361	1 361
Motor vehicle expense	-	146 109	146 109
Office expenses	1 278	-	1 278
Postage	900	-	900
Printing and stationery	2 538	-	2 538
Rent	78 957	36 398	115 355
Repairs and maintenance	-	1 595	1 595
Salaries	470 750	-	470 750
Small equipment	-	5 987	5 987
Telephone and fax	19 250	43 030	62 280
Travel - international	28 471	-	28 471
Travel - local	-	29 865	29 865
	<u>688 618</u>	<u>1 609 029</u>	<u>2 297 646</u>
<b>Net deficit</b>	<b><u>(25 981)</u></b>	<b><u>(347 094)</u></b>	<b><u>(373 075)</u></b>

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