



ANNUAL REPORT

FY 2015

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

TABLE OF CONTENTS

Contents

Acknowledgements	1
Our Profile	2
Chairman's Report	1
CEO Report	2
2014/2015 in Review	3
Financial Statements	4
Notes to Financial Statements	Error! Bookmark not defined.
Independent Auditor's Report	Error! Bookmark not defined.
Contact Information	18

ACKNOWLEDGEMENTS

Acknowledgements

GENERAL

The trust, on behalf of our board of trustees, secretariat and advisory committees, hereby acknowledges the manifold contributions of our supporters, sponsors and donors. We have now reached a landmark 10 years together.

ADP AND SAP

This has been made possible through the dedicated efforts of multiple stakeholder organisations and individuals. In particular, the technical support of Automated Product Development (APD) and SAP has made possible the going-to-market of our service offering, the James 1:27 Care Platform.

PARTNERS

To our Community and Faith Based Partners we would like to acknowledge your confidence in providing a bridge for the Trust into the community. Our commitment to best practice has ensured that the Trust has built community development principles into our management systems.

AUDITORS

To our auditors, Grant Thornton, we appreciate your professionalism and guidance in ensuring the long-term fiduciary credibility of the Trust. To Shem Compion at Shemimages (www.shemimages.com) we are proud to use your beautiful donated photographic images.

CHILDREN

And finally, we the Trust, would like to express our appreciation to our constituency, the children that we serve. We take courage from the testimony of your lives and are proud to play a part in your narrative. You remain the reason for our existence!

Robert Botha

CEO

March 1, 2015

Our Profile

OUR MANDATE

“Pure and lasting religion in the sight of God our Father means that we must care for orphans and widows in their troubles...” –James 1:27

OUR VISION

We help organisations to improve quality and reach of care to orphans, vulnerable children and youth.

OUR PRODUCT OFFERING

- Agency services: helping care-based organisations enlarge by relieving administrative burden through financial management, HR administration, and other professional services.
- Social market/crowdfunding: connecting organisations and a global community of donors to maximise benefit to children and families in our vulnerable communities.
- 127 Care: user-friendly management for planning, task administration, monitoring and evaluation, and reporting for the work of care delivery.

OUR VALUES

- Faith
- Holism
- Integrity
- Solidarity
- Simplicity
- Sustainability

CHAIRMAN'S REPORT

Chairman's Report

I have had the pleasure of serving as the Chairman of the James 1:27 Trust's first board of Trustees for the decade 2004 to 2014. When I accepted the post I also started my own faith based organisation Lefika La Botshabelo.

Together with the Trust we served in a backwater called Stinkwater. The name itself speaks of poverty, underdevelopment and despair. Working with local schools and conducting door to door surveys, we identified a few hundred orphaned and vulnerable children. Their hunger and pain at the loss of death of parents made for the imperatives for care interventions. The collaboration of a child care forum made up of local counsellors, pastors, principals, social workers made for dynamic stakeholder engagement.

To be honest, there were times when frustration at the systemic causes of poverty seemed just overwhelming. It became clear that the management of these challenges and interventions required some systems logic and business information management systems. This seemed particularly relevant if one was going to scale any response.

In this regard, the Trust has proven well-placed to build such a care management system. The combination of social, business and computer science into one organisation is forward-thinking. The innovation that has resulted is impressive. As I retire from the Trust I have the following overarching reflection, each innovation with new ideas that becomes commercialised and scaled carries within its DNA the truth that while the innovation solves some problems others are created.

I am confident that the Trust is responding to the risks through their virtual adoption model of creating dependency and is able to build procedures to manage relational power and equity dynamics. I depart therefore from the Board merely to embrace the James family role which is a culture that permeates all that the Trust has done. I wish the new Board well in their social justice and enterprise endeavours.

Catherine Makwakwa
Chairman, James 1:27 Trust
March 12, 2015

CEO REPORT

CEO Report

The year under review reflects a consolidation of a decade (2004 -2014) of social innovation, entrepreneurship and enterprise development. A visit to the University of Arizona in April 2014 confirmed that the Trust is indeed well on its way to being sustainable and seems at the forefront of international good practice and social justice innovation. As we work on our business model and crystalize our service and value offering, customer base, and costing and sales strategy, we remain mindful that the true north is our Mandate as found in James 1 verse 27 “True religion is to care for orphans and widows in their distress and to refuse to let the world corrupt you”.

As such, we remain essentially a faith-based organisation building a culture of prayer and formation that drives our work and social action. At the core are our people who reflect a creative mix of staff, volunteers and supporters. We are grateful for all this input and investment. We are careful to ensure that it flows into the lives of the children we directly care for and whom we support through providing agency services such as financial management to our care-based partners.

During the period under review the Trust had a revenue of R1 732 346-00 and Operating Expenses of R1 733 848-00, making for a small operations deficit of R1502-00 and an overall surplus of R46 651-00. We spent R805 433-00 on direct care through our main partners, giving us a ratio of cost to care benefit that is acceptable.

Although the Trust did not dramatically increase the number of South African sponsors, we are witnessing the value of having international sponsorship. Mobilization through social media seems to be a growing trend. Finally, we are grateful for the support and confidence of all our stakeholders, our sponsors, care-based customers and beneficiaries. We remain committed to serving this constituency as we help navigate them through the perils of life towards a hope-inspired future.

Robert Botha
CEO, James 1:27 Trust
March 12, 2015

2014/2015 IN REVIEW

2014/2015 in Review

Our annual review has relied on our own information management system to provide evidence based reporting. The Trust has more than 1500 children under care management through our in-house programmes such as Take Action.

In addition, the Trust has a sample of 20 children within a more comprehensive holistic care management system. We also through several community-based partners have an additional 1930 children listed on our data base. What we are learning from this sample is that the transformation of the child from vulnerability and risk to autonomy and independence requires intensive development. In this regard, we continue to be open to “unlearning” and listening actively to other partners such as Give a Child a Family, who located in Kwa Zulu Natal are at the epicentre of the HIV and AIDS epidemic.

Together we support and advocate for family-based care within an asset-based community development approach. What is now among all our civil society partners involved in this field is an appropriate business case that can deliver on a sustainable income model. The movement from philanthropy and charity to social entrepreneurship is challenging. Beyond the jargon lies an ocean of opportunity which if we can translate into practical breakthrough can have a significant game-changing role on the nation’s national development plan (NDP).

We remain convinced that child vulnerability is rooted in the NDP’s diagnostic focus areas on poverty, inequality and unemployment. In terms of our financial stewardship, during the period under review the Trust had a revenue of R1 732 346-00 and Operating Expenses of R1 733 848-00, making for a small operations deficit of R1502-00 and an overall surplus of R46 651-00. We spent R805 433-00 on direct care through our main partners, giving us a ratio of cost to care benefit that is acceptable.

This means that we are despite our technical development costs spending ratio of 1:1 in terms of Secretariat Costs to Care Costs for our beneficiaries. We also run our whole operations with several staff under a R85000 per month budget. This is only possible with high levels of sacrifice and commitment from those serving within our Secretariat.

AUDITED FINANCIAL STATEMENTS

Audited Financial Statements

James 1:27 Trust
Annual financial statements
for the year ended 28 February 2015

MR R

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

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 T Bolten
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 Auditor Member of Grant Thornton International
Trust registration number	10446/04
Preparer	The financial statements were internally compiled by: Grant Thornton Pretoria Advisory Services Proprietary Limited

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

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 T Bolten
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 Auditor Member of Grant Thornton International
Trust registration number	10446/04
Preparer	The financial statements were internally compiled by: Grant Thornton Pretoria Advisory Services Proprietary Limited

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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.

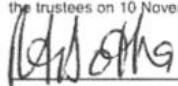
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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 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 2016 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 reviewing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The financial statements set out on pages 6 to 12, which have been prepared on the going concern basis, were approved by the trustees on 10 November 2015 and were signed on their behalf by:


Trustee


Trustee

Pretoria

10 November 2015

AUDITED FINANCIAL STATEMENTS



Independent Auditors' Report

To the trustees of James 1:27 Trust

We have audited the financial statements of James 1:27 Trust, which comprise the statement of financial position as at 28 February 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 12.

Trustees' Responsibility for the Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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

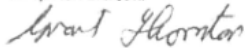
In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements have been prepared, in all material aspects, in accordance with the basis of accounting described in note 1.

AUDITED FINANCIAL STATEMENTS

Independent Auditors' Report

Other matter

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



Grant Thornton
Registered Auditor
Chartered Accountants (SA)

NC Kyriacou
Chartered Accountant (SA)
Registered Auditor

10 November 2015

Building A,
Summit Place,
Corner Ball and Thys Streets,
Menlyn

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Statement of Financial Position

	Note	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	14 696	24 821
Current Assets			
Trade and other receivables		156 094	28 061
Cash and cash equivalents		845 214	935 248
Total Assets		1 001 308	963 309
		1 016 004	988 130
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		750 000	750 000
Accumulated surplus		241 190	194 539
		991 290	944 639
Liabilities			
Current Liabilities			
Trade and other payables		24 714	43 491
Total Equity and Liabilities		1 016 004	988 130

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Statement of Comprehensive Income

	2015 R	2014 R
Revenue	1 732 346	2 042 128
Operating expenses	(1 733 848)	(1 800 079)
Operating (deficit) surplus	(1 502)	242 049
Investment revenue	50 300	27 868
Finance costs	(2 147)	(3 262)
Surplus for the year	46 651	266 655

11/12

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity

	Trust capital	Long Term Investment Reserve	Accumulated surplus	Total equity
	R	R	R	R
Balance at 1 March 2013	100	600 000	77 884	677 984
Changes in equity				
Surplus for the year	-	-	266 655	266 655
Transfer of income surplus to trust capital	-	150 000	(150 000)	-
Total changes	-	150 000	116 655	266 655
Balance at 1 March 2014	100	750 000	194 539	944 639
Changes in equity				
Surplus for the year	-	-	46 651	46 651
Total changes	-	-	46 651	46 651
Balance at 28 February 2015	100	750 000	241 190	991 290

Handwritten signature and initials.

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Statement Of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash (used in) generated from operations	5	(136 500)	434 669
Interest income		50 300	27 868
Finance costs		(2 147)	(3 262)
Net cash from operating activities		(88 347)	459 275
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 685)	(11 279)
Total cash movement for the year		(90 032)	447 996
Cash at the beginning of the year		935 247	487 251
Total cash at end of the year		845 215	935 247

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

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.

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Notes to the Financial Statements

	2015 R	2014 R
--	-----------	-----------

2. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer equipment	127 745	(120 695)	7 050	127 745	(113 064)	14 681
Computer software	74 493	(73 430)	1 063	73 708	(72 922)	786
Furniture and fixtures	23 432	(17 504)	5 928	22 532	(14 250)	8 282
Office equipment	2 883	(2 228)	655	2 883	(1 811)	1 072
Total	228 553	(213 857)	14 696	226 868	(202 047)	24 821

Reconciliation of property, plant and equipment - 2015

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

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Computer equipment	17 792	10 430	(13 541)	14 681
Computer software	88	849	(151)	786
Furniture and fixtures	11 485	-	(3 203)	8 282
Office equipment	1 488	-	(416)	1 072
	30 853	11 279	(17 311)	24 821

3. Taxation

No provision has been made as the trust is exempt from income tax in terms of section 10(1)(CN) of the Income Tax Act.

4. Auditors' remuneration

Fees	10 600	10 700
------	--------	--------

5. Cash (used in) generated from operations

Surplus before taxation	46 651	266 655
Adjustments for:		
Depreciation	11 809	17 311
Interest received	(50 300)	(27 868)
Finance costs	2 147	3 262
Changes in working capital:		
Trade and other receivables	(128 033)	169 827
Trade and other payables	(18 774)	5 482
	(136 500)	434 669

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Notes to the Financial Statements

	2015 R	2014 R
6. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	61 750	8 360
Operating lease payments represent rentals payable by the trust for office premises.		
7. Related parties		
Relationships		
Trustees	R Botha C Makwakwa R Urry JW Radley N Goosen T Bolton S De Kock RA Kasonga	
Related party transactions		
Donations received from trustees		
C Makwakwa	2 400	2 600
JW Radley	889	-
N Goosen	497	-
RA Kasonga	4 312	-
R Botha	16 150	11 150
R Urry	103 000	83 000
S De Kock	1 000	-
T Bolton	3 000	-
	131 248	96 750

AUDITED FINANCIAL STATEMENTS

James 1:27 Trust

(Registration number 10446/04)

Financial Statements for the year ended 28 February 2015

Detailed Statement of Comprehensive Income

	2015	2014
Revenue		
Donations	1 732 346	2 042 128
Other income		
Interest received	50 300	27 868
Operating expenses		
Accounting fees	50 225	47 299
Advertising	4 099	4 445
Auditors' remuneration	10 600	10 700
Bank charges	15 616	22 693
Conference fees	1 926	2 130
Consulting fees	46 058	7 664
Consumables	7 545	4 853
Computer expenses	15 501	21 641
Depreciation	11 809	17 311
Donations	25 828	31 308
Education fund expenses	-	2 000
Employee costs	589 453	781 149
Entertainment	6 308	11 011
License fees	25 016	35 187
Magazines, books and periodicals	1 124	922
Office expenses	537	521
Postage	328	877
Printing and stationery	10 107	4 172
Rental operating lease	58 026	49 176
Shelter & care fund expenses	805 433	667 840
Telephone and fax	17 019	22 562
Training	2 719	2 497
Travel - local	28 571	34 344
Travel - overseas	-	17 777
	1 733 848	1 800 079
Operating surplus	48 798	269 917
Finance costs	(2 147)	(3 262)
Surplus for the year	46 651	266 655

CONTACT INFORMATION

Contact Information

Robert Botha (CEO)

+27(79)4935191

robert@james127trust.org

Catherine Makwakwa (Chairman of the Board)

+ 27(82)5760347

Cathy.m@mweb.co.za

Neil Goosen (Treasurer)

+27(82)577 1782

goosen.neil@gmail.com

James 1:27 Trust

Office M69, Innovation Centre

6 Mark Shuttleworth Street

Pretoria 0087

South Africa

Tel +27 12 844 0489

Email info@james127trust.org

<http://www.james127trust.org>

