

James 1:27 Trust
(Registration number IT10446/04)
Annual financial statements
for the year ended 28 February 2023

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

Trading as IT10446/04)

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter-Vivos Non Profit Trust
Trustees	RA Botha (Chairperson) TK Bolton (Vice- Chairperson) NP Goosen (Treasurer) J Loubser JW Radley
Registered office	421 Trevor Gething Street Garsfortein Pretoria 0042
Bankers	Absa Bank Limited First Rand Bank Limited
Auditors	MFG Accountants Inc. First Floor 457 Rodericks Road Lynnwood Pretoria 0081
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

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Annual Financial Statements for the year ended 28 February 2023

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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 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.

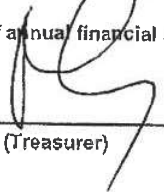
The trustees have reviewed the trust's cash flow forecast for the year to 29 February 2024 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.


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 25 July 2023 and were signed on its behalf by:

Approval of annual financial statements:


NP Goosen (Treasurer)


RA Botha (Chairperson)

Independent Auditor's Report

To the trustees of James 1:27 Trust

Opinion

We have audited the annual financial statements of James 1:27 Trust (the trust) set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of James 1:27 Trust for the year ended 28 February 2023 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "James 1:27 Trust annual financial statements for the year ended 28 February 2023", 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.

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.
25 July 2023
Pretoria

James 1:27 Trust

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Annual Financial Statements for the year ended 28 February 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	8 785	15 154
Current Assets			
Trade and other receivables	3	9 656	10 729
Cash and cash equivalents	4	1 176 837	977 132
		1 186 493	987 861
Total Assets		1 195 278	1 003 015
Equity and Liabilities			
Equity			
Trust capital		100	100
Reserves		250 630	250 630
Accumulated surplus		681 228	525 935
		931 958	776 665
Liabilities			
Current Liabilities			
Trade and other payables	5	254 058	212 571
Bank overdraft	4	9 262	13 779
		263 320	226 350
Total Equity and Liabilities		1 195 278	1 003 015

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Annual Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in Rand	Note(s)	2023	2022
Donations received		1 142 767	1 261 292
Other income		243	652
Operating expenses		(1 015 334)	(1 109 716)
Operating surplus		127 676	152 228
Investment revenue		27 733	10 853
Finance costs		(116)	(28)
Surplus for the year		155 293	163 053
Other comprehensive income		-	-
Total comprehensive income for the year		155 293	163 053

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Annual Financial Statements for the year ended 28 February 2023

Statement of Changes in Equity

	Trust capital	Long term investment reserve	Accumulated surplus	Total equity
Figures in Rand				
Balance at 01 March 2021	100	250 630	362 882	613 612
Surplus for the year	-	-	163 053	163 053
Other comprehensive income	-	-	-	-
Balance at 01 March 2022	100	250 630	525 935	776 665
Surplus for the year	-	-	155 293	155 293
Other comprehensive income	-	-	-	-
Balance at 28 February 2023	100	250 630	681 228	931 958

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Statement of Cash Flows

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from operations	8	179 281	155 983
Interest income		27 733	10 853
Finance costs		(116)	(28)
Net cash from operating activities		206 898	166 808
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 676)	(15 325)
Total cash movement for the year		204 222	151 483
Cash at the beginning of the year		963 353	811 870
Total cash at end of the year	4	1 167 575	963 353

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Annual Financial Statements for the year ended 28 February 2023

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.

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Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	18 377	(15 240)	3 137	17 074	(13 041)	4 033
Office equipment	2 596	(2 592)	4	2 596	(2 592)	4
IT equipment	38 084	(32 447)	5 637	41 611	(30 501)	11 110
Computer software	2 772	(2 765)	7	2 772	(2 765)	7
Total	61 829	(53 044)	8 785	64 053	(48 899)	15 154

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	4 033	1 303	-	(2 199)	3 137
Office equipment	4	-	-	-	4
IT equipment	11 110	1 373	(1)	(6 845)	5 637
Computer software	7	-	-	-	7
	15 154	2 676	(1)	(9 044)	8 785

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	4 258	3 114	(9)	(3 330)	4 033
Office equipment	1	1 709	-	(1 706)	4
IT equipment	4 058	10 502	(1)	(3 449)	11 110
Computer software	14	-	(7)	-	7
	8 331	15 325	(17)	(8 485)	15 154

3. Trade and other receivables

Trade receivables	5 020	7 500
VAT	3 366	3 229
Sundry debtors	1 270	-
	9 656	10 729

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	45	45
Bank balances - 48 Hour Cash Accelerator	220 144	209 706
Bank balances - CC Deposit	10 000	10 000
Bank balances - FNB 8737	34 407	392
Bank balances - Current account 7563	93 073	165 157
Bank balances - James care 4307	289 617	225 403
Bank balances - Money market 0610	338 558	322 636
Bank balances - Operations 4525	186 345	35 994
Bank balances - Sec reserve 0482	290	290
Sagepay	4 358	7 509
	1 176 837	977 132
Bank overdraft - credit cards	(9 262)	(13 779)
	1 167 575	963 353
Current assets	1 176 837	977 132
Current liabilities	(9 262)	(13 779)
	1 167 575	963 353
5. Trade and other payables		
Trade payables	3 296	3 111
Sundry creditors	236 272	197 710
Provision for audit fees	14 490	11 750
	254 058	212 571
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	14 490	11 750
Adjustment for previous year	-	(500)
	14 490	11 250
8. Cash generated from operations		
Surplus for the year	155 293	163 053
Adjustments for:		
Depreciation	9 044	8 485
Deficit on sale of assets	1	17
Deficit on foreign exchange	38 461	3 909
Interest received	(27 733)	(10 853)
Finance costs	116	28
Changes in working capital:		
Trade and other receivables	1 073	(8 462)
Trade and other payables	3 026	(193)
	179 281	155 983

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Annual Financial Statements for the year ended 28 February 2023

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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9. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	120 000	120 000
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10. Related parties

Relationships

Trustees

RA Botha
TK Bolton
NP Goosen
J Loubser
JW Radley

Related party transactions

Donations received

RA Botha	-	1 270
TK Bolton	24 000	24 000
JW Radley	1 524	1 524

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Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Revenue			
Donations received		1 142 767	1 261 292
Other income			
Accounting services rendered		-	652
Book sales		243	-
		243	652
Expenses (Refer to page 15)		(1 015 334)	(1 109 716)
Operating surplus		127 676	152 228
Investment income		27 733	10 853
Finance costs		(116)	(28)
		27 617	10 825
Surplus for the year		155 293	163 053

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Detailed Income Statement

Figures in Rand	Note(s)	2023	2022
Operating expenses			
Accounting fees		(34 600)	(30 930)
Administration and management fees		-	(1 382)
Advertising		-	(17 049)
Auditors remuneration	7	(14 490)	(11 250)
Bank charges		(14 535)	(19 194)
Care expenses		(257 685)	(543 489)
Communication services		(75 030)	(38 625)
Compensation Commissioner		(1 443)	(2 626)
Computer expenses		(8 376)	(15 159)
Consulting fees		(182 000)	(60 000)
Depreciation		(9 044)	(8 485)
Employee costs		(173 463)	(171 394)
Entertainment		(3 814)	(92)
Legal expenses		(69 255)	(45 925)
Loss on exchange differences		(38 461)	(3 909)
Loss on sale of assets		(1)	(17)
Office expenses		(593)	(4 189)
Printing and stationery		(507)	(864)
Rent		(120 000)	(120 000)
Subscriptions		(3 398)	(6 166)
Telephone and fax		(2 099)	(4 058)
Training		(5 217)	(4 902)
Travel - local		(1 323)	(11)
		(1 015 334)	(1 109 716)