

**THE JUMPSTART FOUNDATION TRUST**

(Registration number IT 8834/02)

**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 28 February 2018

# THE JUMPSTART FOUNDATION TRUST

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>Principal activities</b>	Education and youth development
<b>Registered office</b>	Cresta Junction,Block B 1 St Floor Suite 106 Cnr Beyers Naude Drive and Judges Avenue Cresta, Johannesburg 2194
<b>Postal address</b>	Postnet Northcliff Suite 192 Private bag x17 Weltevreden Park 1715
<b>Trustees</b>	J S Mahony A D Mahony E N Maistry T Gamedze
<b>Auditor's</b>	BN Jooste & Co Chartered Accountants (S.A.) Registered Auditors
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act, 1988 (Act 57 of 1988).
<b>Preparer</b>	The annual financial statements were independently compiled by: PIM Services (Pty) Ltd Professional Accountants
<b>Trust registration number</b>	IT 8834/02
<b>NPO registration number</b>	087/109
<b>Tax reference number</b>	930038273
<b>Tax status</b>	Exempt (Section 18 a)
<b>Employers'tax reference number</b>	70570079398

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

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# THE JUMPSTART FOUNDATION TRUST

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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 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 2019 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 auditor's 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 02 August 2018 and were signed on its behalf by:

### Approval of financial statements

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*Trustee*

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*Trustee*

## **INDEPENDENT AUDITORS REPORT**

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### **To the trustees of The Jumpstart Foundation Trust**

#### **Opinion**

We have audited the Annual Financial Statements of The Jumpstart Foundation Trust set out on pages 7 to 13, which comprise the Statement of Financial Position as at 28 February 2018, and the Statement of Income and Retained Earnings, 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 present fairly, in all material respects, the financial position of The Jumpstart Foundation Trust as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act, 1988 (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 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 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 opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Annual Financial Statements of the current period. These matters were addressed in the context of our audit of the Annual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Trust Property Control Act, 1988 (Act 57 of 1988), which we obtained prior to the date of this report. 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, 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 AUDITORS REPORT**

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## **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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act, 1988 (Act 57 of 1988), 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.

## **Auditors 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.
- 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.

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**BN Jooste & Co**  
**Jeff Pierce**  
**Partner**  
**Chartered Accountants (S.A.)**  
**Registered Auditor**

**02 August 2018**  
**Randburg**

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## TRUSTEES' REPORT

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The trustees have pleasure in submitting their report on the annual financial statements of The Jumpstart Foundation Trust for the year ended 28 February 2018.

### 1. Nature of business

The Jumpstart Foundation Trust was formed in South Africa and carries on the business of education and youth development. The trust operates in South Africa.

### 2. Review of financial results and activities

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

### 3. Going concern

The trustees have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the trust and believe that the trust has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

### 4. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the trust or in the policy regarding their use.

### 6. Trustees

The trustees in office at the date of this report are as follows:

#### Trustees

J S Mahony  
A D Mahony  
E N Maistry  
T Gamedze

There have been no changes to the trustees for the period under review.

### 7. Information officer

The information officer of the trust is J S Mahony. His addresses are as follows:

**Postal address**                      Postnet Northcliff, Suite 192  
Private bag x17  
Weltevreden Park  
1715

**Business address**                  Cresta Junction, Block B 1st Floor  
Suite 106  
Corner Beyer Naude and Judges avenue  
Cresta  
2194

### 8. Auditors

BN Jooste & Co continued in office as auditors for the trust for 2018.

At the AGM, the members will be requested to reappoint BN Jooste & Co as the independent external auditors of the trust and to confirm Mr Jeff Pierce as the designated lead audit partner for the 2019 financial year.

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
<b>Current Assets</b>			
Accounts receivable	2	36 744	247 385
Prepaid expenditure	3	2 613 766	-
Cash and cash equivalents	4	4 279 031	2 367 206
		<u>6 929 541</u>	<u>2 614 591</u>
<b>Total Assets</b>		<u>6 929 541</u>	<u>2 614 591</u>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Trust capital		100	100
Accumulated surplus		1 080 368	2 611 357
		<u>1 080 468</u>	<u>2 611 457</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	5	1 358 282	3 134
Deferred income	6	4 490 791	-
		<u>5 849 073</u>	<u>3 134</u>
<b>Total Equity and Liabilities</b>		<u>6 929 541</u>	<u>2 614 591</u>



# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## DETAILED STATEMENT OF INCOME AND RETAINED SURPLUS

Figures in Rand	Note(s)	2018	2017
<b>Revenue</b>			
Grants	7	5 082 114	6 314 851
<b>Other income</b>			
Administration fees received		277 128	-
Recoveries - insurance		6 609	-
Employment tax incentive		143 124	69 752
Interest received	9	214 324	106 201
		<b>641 185</b>	<b>175 953</b>
<b>Operating expenses</b>			
Accounting fees		77 976	36 285
Administration fees		56 330	-
Advertising		20 964	317
Assets under R 7,000		-	21 953
Audit fees		43 787	35 494
Awards		53 059	26 290
Bank charges		12 814	5 582
EGMA Assessment		20 258	22 351
Donations		113 307	-
Employee costs		3 246 930	1 522 077
Entertainment		27 971	3 962
Insurance		51 510	20 544
Jumptracker software and Educational software licences		932 168	404 847
Lease rentals on operating lease		17 738	-
Printing and stationery		20 051	5 716
Municipal expenses		8 269	-
Placement fees		27 666	-
Repairs and maintenance		76 097	-
Tablets		987 109	670 511
Security		540	-
Training		90 146	52 510
Telephone and internet		117 672	26 120
Travel - local		201 458	234 929
Workbooks		1 098 246	1 044 709
Workbooks - sold		(59 537)	(124 536)
Xero licence fees		11 710	3 631
		<b>7 254 239</b>	<b>4 013 292</b>
<b>Operating (deficit) surplus</b>	8	<b>(1 530 940)</b>	<b>2 477 512</b>
Interest paid		(49)	-
<b>(Deficit) surplus for the year</b>		<b>(1 530 989)</b>	<b>2 477 512</b>
Accumulated surplus at beginning		2 611 357	133 845
<b>Accumulated surplus at the end of the year</b>		<b>1 080 368</b>	<b>2 611 357</b>

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	1 697 550	1 030 090
Interest income		214 324	106 201
Interest paid		(49)	-
<b>Net cash from operating activities</b>		<b>1 911 825</b>	<b>1 136 291</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		2 367 206	1 230 915
<b>Total cash at end of the year</b>	4	<b>4 279 031</b>	<b>2 367 206</b>

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## ACCOUNTING POLICIES

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

#### 1.2 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.

#### 1.3 Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### 1.4 Accounts payables

Accounts payable are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.5 Grants and project expenses

Grants are recognised when there is reasonable assurance that such grant will be received and all related conditions are complied with.

#### 1.6 Other income

Other income is recognised at the fair value of the consideration received or receivable for goods or services provided.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

#### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases and are recognised as an expense over the lease term.

#### 1.8 Employee benefits

##### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
<b>2. Accounts receivable</b>		
Grants receivable	2 879	231 075
Prepayments	-	16 310
Student loans	33 865	-
	<b>36 744</b>	<b>247 385</b>
<b>3. Prepaid expenditure</b>		
Numbersense workbooks	1 025 280	-
EGMA Assessment	65 611	-
Jumptracker software and Educational software licences	1 024 037	-
Tablets	190 540	-
Donation	87 500	-
Administration fees	220 798	-
	<b>2 613 766</b>	<b>-</b>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	3 646	808
Current account	22 448	602 375
Call account	4 252 937	1 764 023
	<b>4 279 031</b>	<b>2 367 206</b>
<b>5. Accounts payable</b>		
Accrued expenses	17 632	3 015
Accounts payable	255 139	119
JumpCo Digital	1 085 511	-
	<b>1 358 282</b>	<b>3 134</b>
<b>6. Deferred income</b>		
Grants received for projects that will only become active after the financial year end.		
Michael and Susan Dell Foundation	3 004 167	-
Charity Aid Foundation	78 244	-
Common Good	358 333	-
Evergrow Import and Export CC	5 000	-
Sasol	896 666	-
The Click Foundation	148 381	-
	<b>4 490 791</b>	<b>-</b>

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
<b>7. Revenue</b>		
	<u>5 082 114</u>	<u>6 314 851</u>
<b>Donors</b>		
Sasol	979 333	3 324 112
E N Maistry	9 000	8 000
Evergrow Import and Export CC	1 000	12 000
Alexander Forbes	46 880	31 960
Brombacher and Associates	318 036	172 740
JumpCo (Pty) Ltd	60 814	-
Charity Aid Foundation	15 649	-
Common Good	438 946	-
Michael and Susan Dell Foundation	2 931 851	2 766 039
The Click Foundation	168 042	-
Other	112 563	-
<b>Net grants</b>	<u>5 082 114</u>	<u>6 314 851</u>
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	<u>17 738</u>	<u>-</u>
Employee costs	<u>3 246 930</u>	<u>1 522 077</u>
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Loans	940	-
Bank	213 384	106 201
	<u>214 324</u>	<u>106 201</u>
<b>10. Taxation</b>		
No provision has been made for 2018 tax as the trust is a public benefit organization and exempt from tax in terms of section 10 (1) (cN) of the Income Tax Act.		
<b>11. Cash generated from operations</b>		
(Deficit) surplus before taxation	(1 530 989)	2 477 512
<b>Adjustments for:</b>		
Interest received	(214 324)	(106 201)
Finance costs	49	-
<b>Changes in working capital:</b>		
Accounts receivable	210 641	(240 535)
Prepaid expenditure	(2 613 766)	-
Accounts payable	1 355 148	(6 867)
Deferred income	4 490 791	(1 093 819)
	<u>1 697 550</u>	<u>1 030 090</u>

# THE JUMPSTART FOUNDATION TRUST

Annual Financial Statements for the year ended 28 February 2018

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
<b>12. Related parties</b>		
<b>Relationships</b>		
Trustees	J S Mahony E N Maistry A D Mahony T Gamedze	
JumpCo Digital (Pty) Ltd	Entity related to trustees	
<b>Related party balances and transactions with related parties</b>		
<b>Related party balances</b>		
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
JumpCo Digital (Pty) Ltd	(1 085 511)	-
<b>Related party transactions</b>		
<b>Software licences paid to (received from) related parties</b>		
JumpCo Digital (Pty) Ltd - Jumptrack licences	1 941 175	252 309
<b>Grants paid to (received from) related parties</b>		
E N Maistry	(9 000)	(8 000)
<b>Rent paid to (received from) related parties</b>		
JumpCo (Pty) Ltd	17 738	-