THE JUMPSTART FOUNDATION TRUST

(Registration number IT 8834/02)

ANNUAL FINANCIAL STATEMENTS

for the 10 months ended 31 December 2019

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Principal activities	Education and youth development
Registered office	3rd Floor Northcliff Atrium 189 Beyers Naude Ddrive Johannesburg 2195
Postal address	Postnet Northcliff Suite 192 Private bag x17 Weltevreden Park 1715
Trustees	J S Mahony A D Mahony E N Maistry T Gamedze D Buntting
Auditors	BN Jooste & Co Chartered Accountants (SA) Registered Auditor 37 Harley Street Ferndale Randburg 2194 P O Box 2719 Randburg
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: PIM Services (Pty) Ltd Professional Accountants
Trust registration number	IT 8834/02
NPO registration number	087/109
Tax reference number	930038273
Tax status	Exempt (Section 18 a)
Employers'tax reference number	70570079398

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

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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 10 months and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The annual financial statements are prepared in accordance with the 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.

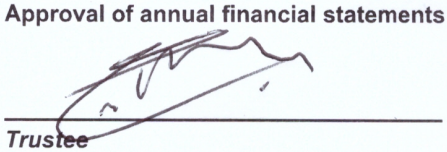
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 10 months to 31 December 2020 and, in the light of this review and the current financial position, They are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

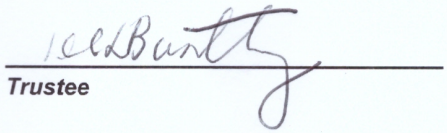
The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the trustees on 06 July 2020 and were signed on its behalf by:

Approval of annual financial statements



Trustee



Trustee

B.N. Jooste & Co.
Practice No. 916900

Chartered Accountants (SA)
Registered Auditors

37 Harley Street
Ferndale
2194

P.O. Box 2719
Randburg, 2125
Tel: (011) 787-0300
Fax: (011) 787-8809
Email: pims@barvic.co.z
Docex: 24 Randburg

Jeffrey Clive Pierce CA(SA) RA

INDEPENDENT AUDITORS REPORT

To the trustees of The Jumpstart Foundation Trust

Opinion

We have audited the annual financial statements of The Jumpstart Foundation Trust (the trust) set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 10 months 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 31 December 2019, and its financial performance and cash flows for the 10 months then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 information included in the document titled "The Jumpstart Foundation Trust annual financial statements for the 10 months ended 31 December 2019", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988 and the Detailed Statement of Income and Retained Surplus, 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 AUDITORS REPORT

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 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.

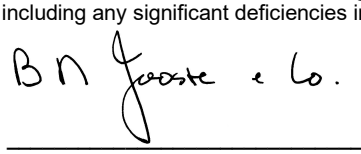
Auditor's responsibilities for the audit of the Annual Financial Statements

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.
- 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.



BN Jooste & Co
Jeff Pierce
Partner
Chartered Accountants (SA)
Registered Auditors

06 July 2020
Randburg

TRUSTEES' REPORT

The trustees have pleasure in submitting their report on the annual financial statements of The Jumpstart Foundation Trust for the 10 months ended 31 December 2019.

1. Nature of business

The Jumpstart Foundation Trust was formed in South Africa with interests in the education and youth development industry. The trust operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior 12 months period.

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
D Buntting

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	3rd Floor, Northcliff Atrium 189 Beyers Naude Drive Northcliff 2195

8. Auditors

BN Jooste & Co continued in office as auditors for the trust for 2019.

They will continue in office for the 2020 financial year.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Figures in Rand	Note(s)	31 December 2019	28 February 2019
Assets			
Current Assets			
Accounts receivable	2	1 432 332	369 566
Prepaid expenditure	3	374 323	2 119 134
Cash and cash equivalents	4	6 146 363	1 647 517
		7 953 018	**4 136 217**
Total Assets		**7 953 018**	**4 136 217**
Reserves and Liabilities			
Reserves			
Trust capital		100	100
Accumulated surplus		1 802 241	647 507
		1 802 341	**647 607**
Liabilities			
Current Liabilities			
Accounts payable	5	324 862	722 576
Loan from related entity	6	17 825	-
Grant income received in advance	7	5 807 990	2 766 034
		6 150 677	**3 488 610**
Total Equity and Liabilities		**7 953 018**	**4 136 217**

DETAILED STATEMENT OF INCOME AND RETAINED SURPLUS

Figures in Rand	Note(s)	10 months ended 31 December 2019	12 months ended 28 February 2019
Revenue			
Grants and donations	8	8 683 200	10 796 400
Other income			
Employment tax incentive		43 375	88 707
Recoveries - insurance		825	4 408
VAT refunds prior years		1 199 699	-
		1 243 899	**93 115**
Operating expenses			
Accounting and consulting fees		470 323	125 140
Advertising		5 908	31 000
Assets under R 7,000		1 710	-
Audit fees		60 450	40 250
Awards		10 862	14 645
Bank charges		19 553	22 485
Donations		-	87 500
Educational software		892 322	1 763 726
Employee costs		4 985 615	5 075 393
EGMA Assessment		211 086	215 164
IT support		-	174 200
Insurance		107 773	91 588
Lease rentals on operating lease		68 643	76 145
Municipal expenses		23 169	21 738
Placement fees		278	115
Printing and stationery		6 275	18 271
Provision for unpaid student loans		27 440	134 110
Repairs and maintenance		500	553
Security		2 073	2 052
Software licence fees		4 806	29 904
Tablets and hardware		126 277	358 751
Training		176 468	261 044
Telephone and internet		179 597	169 936
Travel local		114 691	593 443
Workbooks		1 450 284	1 615 170
Workshops and events		25 137	45 556
		8 971 240	**10 967 879**
Operating surplus (deficit)	9	**955 859**	**(78 364)**
Investment income	11	198 936	203 669
Interest paid	11	(61)	-
		198 875	**203 669**
Surplus for the 10 months		**1 154 734**	**125 305**
Other comprehensive income		-	-
Total comprehensive income for the 10 months		**1 154 734**	**125 305**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 March 2018	**100**	**522 202**	**522 302**
Surplus for the 10 months	-	125 305	125 305
Other comprehensive income	-	-	-
Total comprehensive income for the 10 months	**-**	**125 305**	**125 305**
Balance at 01 March 2019	**100**	**647 507**	**647 607**
Surplus for the 10 months	-	1 154 734	1 154 734
Other comprehensive income	-	-	-
Total comprehensive income for the 10 months	**-**	**1 154 734**	**1 154 734**
Balance at 31 December 2019	**100**	**1 802 241**	**1 802 341**

Note(s)

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	10 months ended 31 December 2019	12 months ended 28 February 2019
Cash flows from operating activities			
Cash generated from (used in) operations	13	4 282 146	(2 835 183)
Interest income		198 936	203 669
Interest paid		(61)	-
Net cash from operating activities		**4 481 021**	**(2 631 514)**
Cash flows from investing activities			
Net movemonet in loan		17 825	-
Net cash from investing activities		**17 825**	**-**
Total cash movement for the 10 months		**4 498 846**	**(2 631 514)**
Cash at the beginning of the 10 months		1 647 517	4 279 031
Total cash at end of the 10 months	4	**6 146 363**	**1 647 517**

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 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 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 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.

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 Accounts receivable

Accounts receivable 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 accounts receivable 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 payable

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 and project expenses are recognized on the deferral method.
- Grants are recognised when there is reasonable assurance that such grant will be received and all related conditions are complied with.
- Grants for projects are recognised as income over the periods that the project is active.
- Projects expenses are recognised as expenses over the periods for which its related grant has been recognised to match the grant on systematic basis to the costs that it is intended to compensate

1.6 Other income

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.

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	10 months ended 31 December 2019	12 months ended 28 February 2019
2. Accounts receivable		
VAT	1 259 831	-
Grants receivable	-	235 455
Student loans	172 501	134 111
	1 432 332	**369 566**
3. Prepaid expenditure		
EGMA Assessment	-	178 586
Educational software	291 528	739 339
Numbersense workbooks	82 795	1 201 209
	374 323	**2 119 134**
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1 082	3 657
Current account	335 111	1 196 291
Call account	5 810 170	447 569
	6 146 363	**1 647 517**
5. Accounts payable		
Operational creditors	324 632	613 296
JumpCo Digital Pty Ltd	230	109 280
	324 862	**722 576**
6. Loans to (from) related entity		
JumpCo Consulting (Pty) Ltd This loan is unsecured, bears no interest and has no fixed terms of repayment. The loan has been classified as a non-current liability as the trust has an unconditional right to defer settlement of the loan for at least 12 months after the reporting date.	(17 825)	-
7. Grant income received in advance		
Grants funding received for activities that will only become active after the financial year end	5 807 990	2 766 034
Brombacher & Associates	185 639	-
Michael and Susan Dell Foundation	5 508 281	1 366 717
Other donors	-	97 454
Sasol	40 162	1 121 253
The Buyani Trust	73 908	106 152
The Click Foundation	-	74 458
	5 807 990	**2 766 034**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	10 months ended 31 December 2019	12 months ended 28 February 2019
8. Revenue		
Grants and donations	8 683 200	10 796 400
Donors		
Alexander Forbes Employees	-	14 800
Brombacher and Associates	342 840	427 660
Charity Aid Foundation	-	9 461
Common Good	-	487 129
Michael and Susan Dell Foundation	6 158 434	6 614 662
Other donations	39 970	259 984
Sasol	1 081 091	2 145 793
Standard Bank SA Limited	-	100 000
The Buyani trust	503 198	388 051
The Click Foundation	125 764	314 769
Wits Connect	431 903	34 091
	8 683 200	**10 796 400**
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
◦ Contractual amounts	68 643	76 145
Employee costs	4 985 615	5 075 393
10. Investment revenue		
Interest revenue		
Bank	198 936	203 669
11. Interest paid		
Other interest paid	61	-

12. Taxation

No provision has been made for 2019 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	10 months ended 31 December 2019	12 months ended 28 February 2019
13. Cash generated from (used in) operations		
Surplus before taxation	1 154 734	125 305
Adjustments for:		
Interest received	(198 936)	(203 669)
Finance costs	61	-
Changes in working capital:		
Accounts receivable	(1 062 766)	(332 822)
Prepaid expenditure	1 744 811	273 835
Accounts payable	(397 714)	(635 705)
Grant income received in advance	3 041 956	(2 062 127)
	4 282 146	**(2 835 183)**

14. Related parties

Relationships

Entity related to trustees	JumpCo Digital (Pty) Ltd JumpPad Pty Ltd JumpCo Pty Ltd JumpCo Consulting (Pty) Ltd
Members of key management	J S Mahony E N Maistry A D Mahony T Gamedze C Hodgskiss D Buntting

Related party balances and transactions with related parties

Related party balances

Loan accounts - Owing (to) by related parties		
JumpCo Consulting (Pty) Ltd	(17 825)	-
Amounts included in Trade receivable (Trade Payable) regarding related parties		
JumpCo Digital (Pty) Ltd	(230)	(109 280)
Amounts included in Prepaid expenditure regarding related parties		
JumpCo Digital (Pty) Ltd	291 528	1 629 127
JumpPad (Pty) Ltd	-	104 736

Related party transactions

Software licences paid to (received from) related parties		
JumpCo Digital (Pty) Ltd	892 322	1 421 811
Grants and donations paid to (received from) related parties		
E N Maistry	(9 100)	(9 985)
T Gamedze	-	(250 000)
Rent paid to (received from) related parties		
JumpCo (Pty) Ltd	68 643	76 145