

KST TRUST
TRUST REGISTRATION NUMBER: IT1456/2013
PBO NUMBER: 930 043 309

FINANCIAL STATEMENTS
For the year ended 31 March 2022

KST TRUST

FINANCIAL STATEMENTS

For the year ended 31 March 2022

TRUST INFORMATION

Registered and Business address:	27 Scott Street, Waverley, Johannesburg, 2000
Postal address:	Postnet Suite 167 Private Bag X9924 Sandton 2146
Auditors:	PricewaterhouseCoopers Inc. Johannesburg
Attorneys:	Adv. Raynold Paul Bracks Katholo Wabile
Bankers:	First National Bank

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KST TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements consisting of the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, notes to the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The trustees are also responsible for the trust's system of internal financial controls. These are designed and implemented by management to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The preparation and presentation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the reporting period. Actual results may differ from those estimates.

The trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements as set out on pages 8 to 24 have been audited by independent auditors, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial controls and related data, including minutes of all meetings of trustees, the board of trustees and committees of the board. The trustees believe that all representations made to the independent auditors during the audit are valid and appropriate.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The financial statements of the trust for the year ended 31 March 2022, which are set out on pages 8 to 24 were approved by the board of trustees on 30 November 2022 and are signed on its behalf by:


.....
TRUSTEE


.....
TRUSTEE

KST TRUST

TRUSTEES' REPORT

For the year ended 31 March 2022

The trustees present their annual report of the trust for the year ended 31 March 2022.

Country of incorporation and domicile

South Africa

Nature of business

The principal activity of the trust is to assist schools in need by mobilising resources from individuals and companies willing to invest in the development of South Africa's future human capital.

Trustees:

The following trustees were in office during the year:

Mankodi Magdeline Moitse
Julian Dominique Mixon
Yvonne Nokukhanya Themba
Steven Lebere
Patience Baloyi (Resigned 30 April 2021)
Tracey Henry (Resigned 08 June 2022)
Jonas Themba Mola
Mzomhle Patrick Nyenjana
Mmabatho Nthabiseng Maboya

Subsequent events

The Free State Department of Education has notified KST Trust that they will not be providing funding for the 31 March 2023 Financial year. The trust is currently wrapping up Infrastructure projects at Motheo district and Fezile Dabi district till the end of December 2022.

Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Operating results

The financial position and operating results of the trust are fully set out on pages 8 to 24 of the financial statements and do not, in the opinion of the trustees, require any further comment.



Independent auditor's report

To the Trustees of KST Trust

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of KST Trust (the Trust) as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting.

What we have audited

KST Trust's financial statements set out on pages 8 to 24 comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "KST Trust Financial Statements for the year ended 31

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March 2022". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: KJ Dikana
Registered Auditor
Johannesburg
30 November 2022

KST TRUST**STATEMENT OF FINANCIAL POSITION
As at 31 March 2022**

	Notes	2022 R	2021 R
TOTAL ASSETS			
Non-current assets			
Property, plant and equipment	3	47 735	248 706
Intangible assets	4	60 656	46 540
Current assets			
Trade and other receivables	5	18 602 307	12 777 608
Cash and cash equivalents	6	84 694 552	53 319 317
Total assets		103 405 250	66 392 171
TOTAL EQUITY AND LIABILITIES			
Equity			
Retained earnings		-	-
Current liabilities			
Trade and other payables	7	15 209 930	12 605 359
Project liability	8	87 914 570	53 104 762
Provisions	9	280 750	682 050
Total equity and liabilities		103 405 250	66 392 171

The notes on pages 12 to 24 form an integral part of these financial statements.

KST TRUST**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 March 2022

	Notes	2022 R	2021 R
Income Received			
Donations received	10	11 212 305	31 143 715
Grants received	10	27 913 005	-
Other Income received	10	17 176 212	6 259 774
		56 301 522	37 403 489
Operating expenses			
Program Expenses	11	(50 654 985)	(30 154 838)
Administrative Expenses	11	(7 467 883)	(7 760 427)
Depreciation/Amortisation	11	(236 433)	(497 273)
		(58 359 301)	(38 412 538)
Interest Income	12	2 057 779	1 009 049
Profit before tax		-	-
Taxation		-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/loss for the year		-	-

The notes on pages 12 to 24 form an integral part of these financial statements.

KST TRUST

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2022

	Retained Earnings R	Total Equity R
Balance at 31 March 2020	-	-
Total Comprehensive income for the year	-	-
Balance at 31 March 2021	-	-
Balance at 01 April 2021	-	-
Total Comprehensive income for the year	-	-
Balance at 31 March 2022	-	-

The notes on pages 12 to 24 form an integral part of these financial statements.

KST TRUST**STATEMENT OF CASH FLOWS**
For the year ended 31 March 2022

	Notes	2022 R	2021 R
Cash flows from operating activities		31 144 313	15 969 167
Cash utilised from operating activities	13	29 086 534	14 960 118
Interest received	12	2 057 779	1 009 049
Cash flows from/to investing activities		230 922	(28 168)
Disposal of property, plant and equipment	3	297 194	13 242
Acquisitions of property, plant, and equipment	3	(14 100)	(15 979)
Acquisitions of intangible assets	4	(52 172)	(25 431)
Increase /(Decrease) in cash and cash equivalents		31 375 235	15 940 999
Cash and cash equivalents at the beginning of the year		53 319 317	37 378 318
Cash and cash equivalents at the end of the year	6	84 694 552	53 319 317

The notes on pages 12 to 24 form an integral part of these financial statements.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

1. Accounting policies

The principal accounting policies which have been applied in preparing the Trust's annual financial statements are set out below.

1.1 Basis of preparation

The financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board. ("IASB"). The financial statements have been prepared in accordance with the going concern principle, and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates. It also required management to exercise its judgement in the process of applying accounting policies of the Foundation.

The trust financial statements are presented in South African Rands, unless otherwise stated which is the trust presentation and functional currency.

1.2 Donations received

Donations are recognised when the risks and rewards transfer to the Trust.

Donations are allocated to project liability accounts and utilised as and when expenditure is incurred. Donations received and allocated specifically by donors to cover administrative costs are retained in a project liability account until such time as the administration costs are incurred.

Donations received "in kind" or pro-bono services are received, these donations are recognised at the value received.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts. Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost.

1.4 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

1.5 Property, plant and equipment

Plant and equipment are stated at historical cost, being the purchase cost plus any cost directly attributable to the preparation of the assets for their intended use, less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the trust and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. Depreciation rates are subject to the following maximum limits:

IT equipment	33.33%
Office equipment	33.33%
Motor vehicles	20%
Furniture and fittings	16.67%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1.6 Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Software 33.33%

Directly attributable costs that are capitalised as part of the software product include software development employee costs and an appropriate portion of the relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Other development expenditures that do not meet these criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Research expenditure is expensed as incurred.

1.7 Trade and other receivables

Receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

1.8 Project Liability

Project funds are allocated to the project liability account. These funds are recognised in profit or loss on a systematic basis over the periods in which the trust recognises expenses for related costs for which the project funds are intended to compensate.

1.9 Grants/Income from Government

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the trust will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

1.10 Finance Income

Finance income is recognised on a time-proportion basis using the effective interest rate method. Where a loan or receivable is impaired, the trust reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as finance income.

1.11 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 paid vacation leave 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 expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Bonus plans

The trust recognises a liability and an expense for bonuses based on a formula that takes into consideration various other performance related considerations. The trust recognises a provision where contractually obliged or where past practice has created a constructive obligation.

1.12 Taxation

The trust is exempt from taxation in terms of section 10(1) (cN) of the Income Tax Act no. 58 of 1962.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

1.13 Impairment of assets

The trust assesses at each reporting date whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of asset) in the prior years. A reversal of impairment is recognised immediately in profit or loss.

1.14 Provisions

Provisions are recognised when the trust has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligations and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

1.15. Financial risk management

The trust's activities expose it to a variety of financial risks, including market risk, interest rate risk and liquidity risk. The following sets out the procedures followed by the trust's management in managing the risks.

(a) Market risk

(i) *Foreign exchange risk*

The trust is not exposed to any foreign exchange risk.

(ii) *Price risk*

The trust is exposed to price risk as the results of price changes in the market however not considered material.

(iii) *Cash flow and fair value interest rate risk*

As the trust has significant interest-bearing assets, the trust's income and operating cash flows are dependent on changes on market interest rates.

Surplus cash is invested from time to time with reputable financial institutions. Management monitors and negotiates available interest rates on an ongoing basis.

The trust operating cash flows are somewhat dependent on changes in market interest rates. A change in 1% in the interest rate could have R 846 946 positive or negative impact on financial results.

The trust interest rate risk arises mainly from cash and cash equivalents.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

1.15. Financial risk management continued...

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'B' are accepted. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The trust does not hold any collateral in respect of its financial assets subject to credit risk.

The table below shows the credit limit and balance of the major counterparties at statement of financial position date.

	Rating	2022
First National Bank	Ba1	84 694 552

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

2 Recently issued accounting standards

International Financial Reporting Standards (IFRS)

At the date of authorisation of these annual financial statements, the following relevant standards, amendments and interpretations to existing standards were either effective for the first time in the 31 March 2022 financial year or were in issue but not yet effective.

The following standards/amendments/interpretations are not anticipated to have a material impact on the Trust:

International Financial Reporting Standards and amendments effective for the first time for 31 March 2022 year-ends		
Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	Classification of liabilities as current or non-current	Differed until accounting periods starting on or after 1 January 2024
Annual improvements to IFRS Standards 2018-2020	IAS 41, IFRS 9 and IFRS 1	Effective 1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts – Cost of Fulfilling a contract	Effective 1 January 2022
IAS 16 Property, Plant and Equipment	Proceeds of intended use	Effective 1 January 2022
IFRS 3 Business Combinations, ISA 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, on IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and IFRS 16 leases	Narrow scope amendments and some annual improvements	Effective 1 January 2022
IAS 1 Presentation of financial statements, IFRS Practice Statement 2 Making materiality judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies	Effective 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates, and errors	Definition of accounting estimates	Effective 1 January 2023

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

3 Property, plant and equipment

Cost (R)	IT equipment	Office equipment	Furniture and fittings	Motor vehicles	Total
at 1 April 2020	461 112	95 578	22 158	1 661 146	2 239 994
- Additions	15 979	-	-	-	15 979
- Disposals	(80 840)	-	-	-	(80 840)
at 31 March 2021	396 251	95 578	22 158	1 661 146	2 175 133
- Additions	14 100	-	-	-	14 100
- Disposals	(111 034)	(95 578)	(22 158)	(664 733)	(893 503)
at 31 March 2022	299 317	-	-	996 413	1 295 730
Accumulated depreciation (R)					
at 01 April 2020	(176 825)	(95 578)	(17 948)	(1 238 988)	(1 529 339)
- Depreciation	(128 763)	-	(3 694)	(332 229)	(464 686)
- Disposals	67 598	-	-	-	67 598
at 31 March 2021	(237 990)	(95 578)	(21 642)	(1 571 217)	(1 926 427)
- Depreciation	(108 623)	-	(517)	(89 237)	(198 377)
- Disposals	94 341	95 578	22 159	664 732	876 810
at 31 March 2022	(252 272)	-	-	(995 722)	(1 247 994)
Carrying Amount as at 31 March 2021	158 261	-	516	89 929	248 706
Carrying Amount as at 31 March 2022	47 045	-	-	690	47 735

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

4 Intangible assets

Cost (R)	Computer software
at 01 April 2020	157 555
- Additions	25 431
- Disposals	(78 945)
at 31 March 2021	104 041
- Additions	52 172
- Disposals	(33 025)
at 31 March 2022	123 188
Accumulated Amortization	
at 01 April 2020	(103 859)
- Amortisation	(32 587)
-Amortisation on disposals	78 945
at 31 March 2021	(57 501)
- Amortisation	(38 056)
-amortisation on disposals	33 025
at 31 March 2022	(62 532)
Carrying Amount as at 31 March 2021	46 540
Carrying Amount as at 31 March 2022	60 656

5 Trade and other receivables

	2022 R	2021 R
Anglo/JET programme	17 556 705	12 720 707
VAT receivable	1 045 602	56 901
	18 602 307	12 777 608

The carrying value of the trade and other receivables approximates their fair value as at 31 March 2022.

Trade receivables amounting to R9 439 106 (**2021: R9 345 798**) are fully performing. Trade receivable amounting to R9 163 201 (**2021: R3 431 810**) are overdue but have not been impaired as this relates to customers with no history of default

KST TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

	2022 R	2021 R
6 Cash and cash equivalents		
Cash and cash equivalents consist of cash that will be used to fund further projects.		
Notice account – 7 day	12 290 043	14 970 293
Notice account – 32 day	65 851 804	25 256 602
Current account	2 590 381	7 075 466
Money market account	2 906 284	2 763 660
Enterprise Business Account	1 051 273	3 242 464
Petty Cash	4 767	10 832
	<u>84 694 552</u>	<u>53 319 317</u>

As at 31 March 2022, all cash and cash equivalents carrying values approximate their fair values.

7 Trade and other payables		
Accruals	14 289 929	12 605 359
Accounts payable	920 001	-
	<u>15 209 930</u>	<u>12 605 359</u>

As at 31 March 2022, all trade and other payables carrying values approximate their fair value.

8 Project liability		
Balance at beginning of year	53 104 762	30 748 476
Transferred (from) / to Donations received (*)	34 809 808	22 356 286
Balance at end of year	<u>87 914 570</u>	<u>53 104 762</u>

* The above liability relates to donations received refer to note 10 below.

9 Provisions				
2022	Opening Balance	Utilised	Additions	Closing Balance
Leave pay	647 700	(405 000)	-	242 700
Sinika Contribution	34 350	-	3 700	38 050
	<u>682 050</u>	<u>(405 000)</u>	<u>3 700</u>	<u>280 750</u>

KST TRUST**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022****9 Provisions continued...**

2021	Opening Balance	Utilised	Additions	Closing Balance
Leave pay	437 778	-	209 922	647 700
Sinika Contribution	23 700	-	10 650	34 350
	461 478	-	220 572	682 050

10 Income Received

	2022 R	2021 R
Donation Received		
Cyril Ramaphosa Foundation	5 000 000	5 000 000
Kagiso Charitable Trust	5 000 000	5 000 000
FirstRand Empowerment Foundation Fund	34 000 000	33 000 000
De Beers Fund	2 022 113	10 500 000
Transferred (to) / from Project liability	(34 809 808)	(22 356 286)
	11 212 305	31 143 716
Government grant		
Free State Department of Education	27 913 005	-
Other Income		
Anglo/JET Programme	16 895 712	6 253 860
Profit on Asset Disposal	280 500	5 914
	17 176 212	6 259 774

11 Expenses**Program Expenses**

Infrastructure	35 477 137	21 489 611
Programme human resources	5 373 293	7 574 906
Severance Package	1 155 095	-
Retreats	163 250	7 624
Curriculum Social and skills	7 625 447	273 611
Travel and accommodation	860 763	809 086
	50 654 985	30 154 838

	2022 R	2021 R
Administration Expenses		
Audit fees	146 500	569 930
Bank charges	17 462	19 216
Computer expenses	18 317	10 727
Consultancy and professional fees	1 798 241	886 440
Cleaning	4 200	3 700
Insurance	272 040	272 881
Legal fees	37 000	53 080
Marketing	441 481	574 569
General Expenses	171 206	68 418
Printing and stationery	113 634	94 632
Refreshments & Meetings	5 927	30 532
Repairs and Maintenance	56 995	42 927
Recruitment	2 300	49 788
Secretariat Fees	71 000	95 225
Telephone & Fax	243 992	262 268
Leave pay – Current year expense	(87 158)	262 651
Sponsorships	76 708	97 810
Administrative human resources	4 078 038	4 365 633
	7 467 883	7 760 427
Amortisation	38 056	32 587
Depreciation	198 377	464 686
	236 433	497 273
TOTAL EXPENSES	58 359 301	38 412 538

12 Interest income

Interest Income – Notice account -7 day	319 750	293 578
Interest Income – Notice account – 32 day	1 595 406	457 100
Interest Income – Current account	-	34
Interest Income – Money market account	142 623	234 191
Interest Income – Enterprise Business Account	-	24 146
	2 057 779	1 009 049

13 Cash utilised from operating activities

Profit for the year	-	-
Adjustments for:		
Amortisation	38 056	32 587
Depreciation	198 377	464 686
Profit on sale of asset	(280 500)	(5 914)
Interest received	(2 057 779)	(1 009 049)
(Increase) Decrease in trade and other receivables	(5 824 699)	(3 875 875)
Decrease (Increase) in trade and other payables	2 604 571	(3 229 089)
Increase (Decrease) in project liabilities	34 809 808	22 356 286
Increase (Decrease) in provisions	(401 300)	220 572
	<u>29 086 534</u>	<u>14 960 118</u>

14 Taxation

The Trust is an approved S18A Public Benefit Organisation in terms of the Income Tax, therefore exempt from taxation in terms of section 10(1) (cN) of the Income Tax Act no. 58 of 1962.

KST TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2022

15 Related parties

Identity of related parties

The following are defined as related parties of the Trust:

- The Trustees
- Key Management Personnel
- The FirstRand Empowerment Foundation Trust
- Kagiso Charitable Trust
- Cyril Ramaphosa Foundation
- Free State Department of Education
- Adopt a School
- Kagiso Trust

Related party transactions

During the 31 March 2022 financial year, the trust sold two vehicles to Adopt a School at value of R70 00 each excluding Vat. An additional vehicle was sold to Kagiso Trust at a value of R80 000 excluding Vat. The Trust did not enter into any other material related party transactions during the 31 March 2022 financial year.

16 Going Concern

The Trust's forecasts and projections, considering changes in trading performance and funding, show that the Trust should be able to operate into the foreseeable future. There is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing the financial statements.

17 Subsequent Event

The Free State Department of Education notified the Trust that they will not be providing funding for the 31 March 2023 Financial year. This is deemed to be an unadjusting event and this will not have a material impact on the 31 March 2022 financial statements. This event was also considered during the assessment of the Going Concern of the Trust, and it was determined that the Trust would be able to continue operating into the foreseeable future with the remaining funding providers as stipulated in Note 16.