

The Shuttleworth Foundation Trusts
Abridged Aggregated Financial Statements
At
February 28 2005

THE SHUTTLEWORTH FOUNDATION TRUSTS**ABRIDGED AGGREGATED FINANCIAL STATEMENTS AT FEBRUARY 28 2005****TRUSTEES**

L Matthews
M R Shuttleworth
S M Kirkman
V Shaw

NATURE OF BUSINESS

Providing funding to educational institutions
and other social upliftment projects

AUDITORS

Ernst & Young

BANKERS

Standard Bank of South Africa Limited

REGISTERED OFFICE

12 Plein Street
Durbanville
7550

P O Box 1159
Durbanville
7551

TRUST NUMBER

IT582/2001

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APPROVAL OF ABRIDGED AGGREGATED FINANCIAL STATEMENTS

The annual financial statements set out on pages 3 to 7 were approved by the trustees on June 24 2005.

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**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE SHUTTLEWORTH FOUNDATION TRUSTS**

The abridged aggregated financial statements of The Shuttleworth Foundation Trusts set out in pages 3 to 7 have been derived from the annual financial statements, prepared in accordance with South African Statements of Generally Accepted Accounting Practice, of The Shuttleworth Foundation Trust, Shuttleworth Foundation Fundraising No 1 and No 2 Trusts for the year ended February 28 2005. We have audited the annual financial statements in accordance with statements of South African Auditing Standards. In our reports dated June 24 2005, we expressed an unqualified opinion on the annual financial statements from which the abridged aggregated financial statements were derived.

Audit opinion

In our opinion, the accompanying abridged aggregated financial statements are consistent, in all material respects, with the annual financial statements from which they are derived and are prepared in accordance with the presentation and disclosure requirements of the South African Statements of Generally Accepted Accounting Practice on Interim Financial Reporting.

For a better understanding of the scope of our audits and the trusts' financial position, the results of operations and cash flows for the year, the abridged aggregated financial statements should be read in conjunction with our annual financial statements and audit reports from which the abridged aggregated financial statements were derived.



ERNST & YOUNG
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (SA)

Cape Town

June 24 2005

THE SHUTTLEWORTH FOUNDATION TRUSTS

**ABRIDGED AGGREGATED INCOME STATEMENT
FOR THE YEAR ENDED FEBRUARY 28 2005**

	Note	2005 Education R	2005 HIP2B ² R	2005 Total R	2004 Total R
Revenue		-	9 119 714	9 119 714	364 302
Cost of sales		-	8 495 642	8 495 642	650 479
GROSS PROFIT		-	624 072	624 072	(286 177)
OTHER OPERATING INCOME		36 034 439	-	36 034 439	20 156 794
Capital donation received from founder		30 000 000	-	30 000 000	20 000 000
Other donations		1 047 860	-	1 047 860	-
Go Open Coalition Co-Sponsors		4 832 010	-	4 832 010	-
Other		154 569	-	154 569	156 794
Finance income		411 831	-	411 831	204 617
		36 446 270	624 072	37 070 342	20 075 234
OTHER OPERATING EXPENSES		27 843 403	4 808 068	32 651 471	16 145 898
Administrative expenses		4 782 093	2 730 778	7 512 871	3 652 600
Communication campaign expenses		510 910	2 077 290	2 588 200	2 586 477
Distributions to projects and related expenses	4	22 550 400	-	22 550 400	9 906 821
PROFIT/(LOSS) FOR THE YEAR		8 602 867	(4 183 996)	4 418 871	3 929 336

THE SHUTTLEWORTH FOUNDATION TRUSTS

**ABRIDGED AGGREGATED BALANCE SHEET
AT FEBRUARY 28 2005**

	Note	2005 R	2004 R
ASSETS			
Non-current asset			
Equipment		<u>14 589</u>	<u>118 562</u>
Current assets			
Inventories	5	1 261 968	36 160
Trade and other receivables		7 204 055	20 449 756
Taxation		5 176	5 176
Cash at bank		<u>13 183 166</u>	<u>1 009 118</u>
		<u>21 654 365</u>	<u>21 500 210</u>
Total assets		<u><u>21 668 954</u></u>	<u><u>21 618 772</u></u>
FUNDS AND LIABILITIES			
Capital and reserves			
Trust capital		300	300
Accumulated funds		<u>8 913 298</u>	<u>4 494 427</u>
		<u>8 913 598</u>	<u>4 494 727</u>
Non-current liability			
Long term loan		<u>-</u>	<u>11 035 184</u>
Current liabilities			
Trade and other payables		12 643 165	6 017 021
Leave pay provision		<u>112 191</u>	<u>71 840</u>
		<u>12 755 356</u>	<u>6 088 861</u>
Total funds and liabilities		<u><u>21 668 954</u></u>	<u><u>21 618 772</u></u>

THE SHUTTLEWORTH FOUNDATION TRUSTS**ABRIDGED AGGREGATED STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED FEBRUARY 28 2005**

	Trust Capital R	Accumulated funds R	Total R
Balance at February 28 2003	300	565 091	565 391
Profit for the year	-	3 929 336	3 929 336
Balance at February 29 2004	300	4 494 427	4 494 727
Profit for the year	-	4 418 871	4 418 871
Balance at February 28 2005	300	8 913 298	8 913 598

THE SHUTTLEWORTH FOUNDATION TRUSTS

**ABRIDGED AGGREGATED CASH FLOW STATEMENT
FOR THE YEAR ENDED FEBRUARY 28 2005**

	2005	2004
	R	R
Cash flows from operating activities		
Cash generated by operations	4 563 321	3 850 622
Movement in working capital	18 146 037	(17 032 160)
Cash generated/(utilised) by operating activities	22 709 358	(13 181 538)
Finance income	411 731	204 617
Taxation paid	-	(13 458)
Net cash inflow/(outflow) from operating activities	<u>23 121 089</u>	<u>(12 990 379)</u>
Cash flows from investing activities		
Proceeds on the disposal of equipment	88 143	-
Purchase of equipment	-	(93 468)
Cash inflow/(outflow) from investing activities	<u>88 143</u>	<u>(93 468)</u>
Cash flows from financing activities		
Loan from holding company	(11 035 184)	11 035 184
Cash (outflow)/inflow from financing activities	<u>(11 035 184)</u>	<u>11 035 184</u>
Net movement in cash and cash equivalents	12 174 048	(2 048 663)
Cash and cash equivalents at beginning of year	1 009 118	3 057 781
Cash and cash equivalents at end of year	<u>13 183 166</u>	<u>1 009 118</u>

THE SHUTTLEWORTH FOUNDATION TRUSTS

**NOTES TO THE FINANCIAL STATEMENTS
AT FEBRUARY 28 2005**

1 BASIS OF PREPARATION

This report complies with the requirements of AC127, the South African Statement of Generally Accepted Accounting Practice governing interim financial reporting. The results shown are the aggregation of The Shuttleworth Foundation Trust, The Shuttleworth Foundation Fundraising Trust No 1 and No 2 Trusts, all of which Mark Shuttleworth is the founder and one of the Trustees. The information presented in this report has been audited by the external auditors.

2 ACCOUNTING POLICIES

This report has been prepared on the historical cost basis, except for certain financial instruments which are subsequently measured at fair value and inventories which are subsequently measured at net realisable value, and in accordance with the accounting policies which were applied in the preparation of the individual trusts' annual financial statements for the year ended February 28 2005.

3 ADDITIONAL INFORMATION

Current year income statement has been split up into HIP 2B² and Education columns to differentiate between the revenue generated from sales of products used as a method to communicate the message of the foundation and the utilisation of the Trustee's and third parties' donations.

4 DISTRIBUTIONS TO PROJECT AND RELATED EXPENSES

All distributions are agreed to by the trustees and authorised on signature of a memorandum of understanding between the beneficiary of the distribution and the trust.

5 INVENTORIES

	2005	2004
	R	R
Merchandise (at cost)	1 761 968	72 320
Adjustment of inventory to net realisable value	<u>(500 000)</u>	<u>(36 160)</u>
Merchandise held at net realisable value	<u><u>1 261 968</u></u>	<u><u>36 160</u></u>

Inventory has been written down to net realisable value because garments and electronic products have become outmoded.