

2007
**Annual Report of the
Shuttleworth Foundation Trusts**

driving innovation



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“Education is the key to unlocking the creative and intellectual potential of the South African youth, allowing them to live the dream that ‘anything is possible’”

– Mark Shuttleworth



“The Foundation continues to promote innovation in education and technology and is constantly investigating new and effective ways of doing so.”

– Mark Shuttleworth

Message from the Founder

The year ending February 2007 has been an active, exciting and successful one for the Shuttleworth Foundation. It has seen a change in focus and approach to projects by the organisation, two of our funded projects becoming successful as independent business entities and continuing activity in contributing to open standards, improvements in the local education environment and policy reform.

Over the last year the Foundation has adopted a sharper focus for driving change at a systemic level. It has always aimed to test new ideas and encourage adoption of those that work, but now ensures that this drive is enforced with policy dialogue.



The Foundation continues to promote innovation in education and technology and is constantly investigating new and effective ways of doing so. There has also been a big push towards the removal of legal and policy barriers, the acceleration of good ideas and the ongoing commitment to giving platforms to innovative people and practices of open philanthropy.

It is very exciting to see the results of these initiatives in the form of developments that have taken place during the last year of activity and promises much activity for the next.

During this period we have seen both the Inkululeko and Freedom Toaster businesses start to grow and succeed. The Foundation is also actively developing an open curriculum for teachers – one that they can use and amend and that provides very real value to educators, particularly in the African context. This will provide a valuable example of how open principles can transform education in a positive way.

The Foundation continues to challenge the status quo in the publishing industry and the conventional way in which materials are delivered to classrooms and shared with learners at all levels of the education system. In this regard our organisation continues to drive innovative, system changing projects such as Kusasa and involves itself in contributing to decision making where possible.

With a successful year behind us I personally look forward to an exciting, challenging and rewarding year. During this time I am confident the Foundation will continue to see successes in promoting open access and reforms in policy relating to education in South Africa.

Mark Shuttleworth

Founder of the Shuttleworth Foundation

“Over the last year the Foundation has adopted a sharper focus for driving change at a systemic level. It has always aimed to test new ideas and encourage adoption of those that work, but now ensures that this drive is enforced with policy dialogue.”

– Mark Shuttleworth



Trustees' Report

The Shuttleworth Foundation's trustees support the principles of openness, integrity and accountability under the leadership of our founder Mark Shuttleworth. Our group of trustees delegate authority to the Shuttleworth Foundation's management team.

This enables the organisation's management to act for and on behalf of the foundation's trusts in every respect with the exception of the several functions retained by the trustees whereby our approval is required for overall policy and strategy concerning the objectives of the trusts, audited annual financial statements and funded projects in excess of the limit imposed on the management team.

Over the last year the foundation has endeavoured to promote shorter term projects that are renewable and illustrate quantifiable impact, while enabling the foundation to quickly identify potentially successful initiatives.

Furthermore, a new structure for management and ideas of the foundation has been implemented. It allows for experts to be identified and brought into the foundation, affording them a platform from which to explore their ideas.

Largely thanks to these new approaches the foundation has seen encouraging returns on investment and looks forward to this trend extending into 2007 and beyond.

The Shuttleworth Foundation's trustees meet on a quarterly basis to review the progress of the trusts' activities. Our most recent submission is the audited annual financial statements of the aggregated Shuttleworth Foundation trusts for the year ended 28 February 2007, encompassed in this annual report.

The trustees wish to congratulate the management of the Foundation on its successful activities during the year ending in February 2007, and look forward to reporting on positive results for the next financial period.

“Thanks to these new approaches the foundation has seen encouraging returns on investment and looks forward to this trend extending into the 2007 and beyond.”



Highlights

Financial Results

Commentary on the financial results of the Shuttleworth Foundation is based on the consolidated results of the Shuttleworth Foundation Trust, Fundraising Trust Number 1 and Number 2. Financial commentary herein exclude the HIP2B² initiative.

The expenditure budget for the financial year ending February 2007 was approved by the trustees in March 2006 as R31 266 973.

The total expenditure for the same period reached R23 009 572. This figure excludes income received of R7 752 500. Project spend equated to 72 percent of the total, with marketing occupying 7 percent and overheads 21 percent.

Marketing would historically represent ten percent of total spend and overheads 25. The experienced shift in spending pattern is as result of the restructuring within the foundation.

The purpose of the fundraising trusts is to source funding for specific projects. During the year ending in February 2007 no funding activities occurred in Trust 1. Funding to the value of R6 600 000 was sourced to fund five projects totalling R6 300 000 in Trust 2. This included R4 069 800 allocated to the ACE: School Leadership Project in collaboration with the Department of Education.

Our Work

The Shuttleworth Foundation focuses its funding on five areas or themes. These have been defined according to the goals of the Foundation in being a catalyst for change and policy reform in South Africa with the objective of improving education and technology use for all.

The Foundation focuses on projects that fall into the scopes of Communication and Analytical Skills, Education Management and Leadership, Intellectual Property Rights, Open and Collaborative Resources and Telecommunications.

By maintaining a focus on funding in these five areas the foundation is involved in researching the enhancements of core skills required by learners, creating support and training structures for educational leaders and teachers, supporting the principles of open and collaborative content frameworks, including those specific to open educational resources and addressing the challenges presented by the availability of broadband Internet connectivity and general telecommunications environment in South Africa.

The foundation continuously investigates potential activities relating to these five themes while contributing to relevant policy reform and the defence of open principles.

The Way We Work

The Shuttleworth Foundation is powered by a dedicated team of individuals from around the globe that are brought together with a common commitment to empowering education and technology initiatives in South Africa through driving policy reform and best practice, while promoting the use of open standards, technologies and information access.

The team works tirelessly towards these goals adopting projects that carry a common focus and defending the rights of individuals in terms of information access and knowledge exchange, while



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providing input to policy formulation within the country. Their combined experience in working with project administration, finances, education, open platforms and law are second to none and contribute toward the foundation being a positive driver of change and innovation.

Featured Projects

The Shuttleworth Foundation aims to provide approved initiatives that carry a common focus with the defined themes with all the resources and opportunities they need to contribute towards the overriding goals of the organisation.

Kusasa

The Kusasa project aims to create and implement a suite of curriculum aligned projects for grades 4-12 in the Western Cape initially. Each project is designed to develop and provide role models for effective thinking. Kusasa projects are designed to be self taught, peer thinking skills that are useful across a range of disciplines. There is also a focus on encouraging and facilitating the effective modelling of concrete observations in software.

Critical Thinking Group

Critical Thinking Group aims to develop an approach for the teaching of critical thinking skills to educators that will equip them with techniques that can in turn be imparted to learners. The focus for developing this approach is on the assertion that a major area of critical thinking is the ability to formulate an argument, which includes using evidence to support and substantiate claims as well as dislodge any counter-claims. This project has been conducted in collaboration with Cape Peninsula University of Technology.

Freedom Toaster

The Freedom Toaster project aimed to design a software and content vending machine-like kiosk where users could access a range of stored open source operating systems, software and other open content, select their desired packages and burn these to CD or DVD which they could then take home and use. This would be of particular use in areas with limited bandwidth, where content could not be easily downloaded or for use at educational institutions where a range of content can be provided quickly and easily. The project successfully completed this goal and is now run as an independent and successful business.



Working on power points - Letsread ©



Chalks - Takasi75 ©



tuXlabs

The tuXlab project was initiated by the Shuttleworth Foundation in 2002 aiming to provide schools in South Africa with a model for setting up and running educational computer labs making use of powerful open source software. The tuXlab model is aligned to the South African government's E-Education Whitepaper and around the open source philosophy of freedom to share, use, replicate, develop and distribute software solutions. The project has seen the implementation of over 130 labs in three provinces with 160 000 learners benefiting from open source computer labs used as a medium for delivering educational curriculum.

Leap Maths and Science School

Funded by the Shuttleworth Foundation, the LEAP Science and Maths School aims to tackle the acute shortage of skills in South Africa by enabling its students to gain access to tertiary study opportunities, to be successful in their chosen career paths and to develop as a socially responsible citizens. While the immediate focus of the school is to graduate individuals with university exemption on higher grade, the LEAP Science and Maths School carries a longer term objective of playing an active role in the transformation of disadvantaged communities in South Africa by acting as a node for sharing and engaging.

Digital Hero Book

The Digital Hero Book Project (DHBP) is a form of psychosocial support system (PSS) that enables youth to post their own stories online using information and communication technologies. This is a fun way for children to collaboratively create self-illustrated story books featuring stories about heroes which they come up with, while providing them with a platform for dealing with serious issues. The books submitted are presented on a community website for viewing.

“The Shuttleworth Foundation focuses on projects that are the catalyst for change and policy reform in South Africa.”



Image 1588 – Jason Hudson ©



Screen Technology – Rutty © © ©



Funded Projects

Category	Project	Funding
Social Exchanges	Giving Exchange	R 276 962
Leadership & Role Models	ACE School Leadership	R 4 069 800
	School Leadership Academy	R 199 587
	Whole School Development	R 375 000
Technology	Kusasa	R 542 939
	Linux Professional Institute	R 17 196
	Open Source in Higher Education Institutions	R 240 009
	Freedom Toaster	R 577 459
	tuXlabs	R 4 651 152
	Go Open Source Campaign	R 1 737 514
STEM <i>(Science, Technology, Entrepreneurship, Mathematics)</i>	STEM Forums	R 374
	SOCKS <i>(Shuttleworth Open Content for Knowledge Sharing)</i>	R 55 994
	South African Education and Environment Project	R 4 104
New Projects	South African Computer Olympiad	R 582 000
	10th Primary Maths World Contest	R 86 972
	Plus Time	R 207 000
	Digital Hero Book	R 298 000
	Hip2b ² First Lego League	R 295 697
	iCommons – ISKME Case Study	R 207 175
	Manager for a day	R 150 000
	Standardised Mathematics Programme	R 199 086
Administration Expenses	Project Expenses	R 1 830 552
Total Project Spend		R 16 604 572



The Shuttleworth Foundation Trusts
**Abridged Aggregated
Annual Financial Statements**

at
February 28
2007



The Shuttleworth Foundation Trusts

Abridged Aggregated Annual Financial Statements

At February 28 2007

Trustees

L Matthews	(Resigned May 31 2006)
M R Shuttleworth	(Resigned January 22 2007)
S M Kirkman	
J Long	(Appointed May 31 2006)
R D Shuttleworth	(Appointed January 22 2007)

Nature of Business

Providing funding to educational institutions and other social upliftment projects

Auditors

Ernst & Young Inc.

Bankers

Standard Bank of South Africa Limited

Registered Office

12 Plein Street	P O Box 4163
Durbanville	Durbanville
7550	7551

Incorporated in

South Africa

Trust Numbers

The Shuttleworth Foundation Trust	IT582/2001
The Shuttleworth Foundation Fundraising No 1 Trust	IT490/2003
The Shuttleworth Foundation Fundraising No 2 Trust	IT434/2001

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Approval of Annual Financial Statements

The annual financial statements set out on pages 3 to 11 were approved by the trustees on August 31 2007.

S Kirkman

J Long



Independent Auditor's Report to the Trustees of The Shuttleworth Foundation Trusts

We have audited the financial statements of the Shuttleworth Foundation Trusts for the year ended February 28 2007, from which the abridged aggregated financial statements were derived, in accordance with International Standards on Auditing.

In our report dated August 31 2007 we expressed an unqualified opinion on the financial statements from which the abridged aggregated financial statements were derived.

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

For a better understanding of the trusts' financial position and the results of its operations for the year ended February 28 2007 and of the scope of our audit, the abridged aggregated financial statements should be read in conjunction with the financial statements from which the abridged aggregated financial statements were derived and our audit report of those financial statements.

Ernst & Young Inc.

Registered Auditor

August 31 2007
Cape Town



The Shuttleworth Foundation Trusts

Abridged Aggregated Income Statement

For the year ended February 28 2007

	Note	2007 Education R	2007 HIP2B ² R	2007 Total R	2006 Education R	2006 HIP2B ² R	2006 Total R
Revenue	2	7 397 400	5 395 639	12 793 039	1 082 338	6 636 443	7 718 781
Turnover		6 672 261	5 318 956	11 991 217	-	6 478 949	6 478 949
Cost of sales		-	(10 553 295)	(10 553 295)	-	(7 257 767)	(7 257 767)
Gross Profit/(Loss)		6 672 261	(5 234 339)	1 437 922	-	(778 818)	(778 818)
Other Income		355 100	14 097	369 197	43 390 675	-	43 390 675
Capital donations received from founder		-	-	-	40 000 000	-	40 000 000
Other donations		-	-	-	1 288 393	-	1 288 393
Go Open Coalition Co-Sponsors		-	-	-	2 013 163	-	2 013 163
Other		355 100	14 097	369 197	89 119	-	89 119
Finance income		725 139	76 683	801 822	1 082 338	157 494	1 239 832
		7 752 500	(5 143 559)	2 608 941	44 473 013	(621 324)	43 851 689
Operating Expenses		(23 009 572)	(3 693 026)	(26 702 598)	(35 208 851)	(4 877 035)	(40 085 886)
Administrative expenses		4 494 566	3 693 026	8 187 592	8 473 595	2 068 950	10 542 545
Communication campaign expenses		1 688 723	-	1 688 723	422 448	2 808 085	3 230 533
Distributions to projects and related expenses	4	16 604 572	-	16 604 572	26 311 961	-	26 311 961
Finance expense		221 711	-	221 711	847	-	847
(Loss)/Profit for the Year		(15 257 072)	(8 836 585)	(24 093 657)	9 264 162	(5 498 359)	3 765 803



The Shuttleworth Foundation Trusts

Abridged Aggregated Balance Sheet

At February 28 2007

	Note	2007 R	2006 R
Assets			
Non-current asset			
Equipment		27 448	33 329
		<u>27 448</u>	<u>33 329</u>
Current assets			
Intangible asset	5	1 347 655	4 851 559
Inventories	6	-	783 006
Trade and other receivables		575 659	4 169 717
Taxation		5 176	5 176
Cash and cash equivalents		9 395 340	19 778 020
		<u>11 323 830</u>	<u>29 587 478</u>
Total assets		<u>11 351 278</u>	<u>29 620 807</u>
Funds and Liabilities			
Capital and reserves			
Trust capital		300	300
Accumulated funds		(11 414 556)	12 679 101
		<u>(11 414 256)</u>	<u>12 679 401</u>
Current liabilities			
Loan payable to related party		9 222 583	-
Trade and other payables		13 495 747	7 551 605
Distributions to beneficiaries		-	9 212 568
Leave pay provision		47 204	177 233
		<u>22 765 534</u>	<u>16 941 406</u>
Total funds and liabilities		<u>11 351 278</u>	<u>29 620 807</u>



The Shuttleworth Foundation Trusts

Abridged Aggregated Statement of Changes in Trust Funds

For the year ended February 28 2007

	Capital	Accumulated	Total
	R	funds	R
	R	R	R
Balance at February 28 2005	300	8 913 298	8 913 598
Profit for the year	-	3 765 803	3 765 803
Balance at February 28 2006	300	12 679 101	12 679 401
Loss for the year	-	(24 093 657)	(24 093 657)
Balance at February 28 2007	300	(11 414 556)	(11 414 256)



The Shuttleworth Foundation Trusts

Abridged Aggregated Cash Flow Statement

For the year ended February 28 2007

	Note	2007 R	2006 R
Cash flows from operating activities			
Cash (utilised)/generated by operations	1	(19 855 958)	3 107 558
Movement in working capital		8 883 152	7 134 308
Cash (utilised)/generated by operating activities		(10 972 806)	10 241 866
Finance income		801 822	1 239 832
Finance expense		(221 711)	-
Net cash (outflow)/inflow from operating activities		(10 392 695)	11 481 698
Cash flows from investing activities			
Acquisition of intangible asset		-	(4 851 559)
Purchase of equipment		-	(35 285)
Cash outflow from investing activities		-	(4 886 844)
Cash flows from financing activities			
Loan from holding company		9 222 583	-
Distributions paid to beneficiaries		(9 212 568)	-
Cash inflow from financing activities		10 015	-
Net movement in cash and cash equivalents		(10 382 680)	6 594 854
Cash and cash equivalents at beginning of year		19 778 020	13 183 166
Cash and cash equivalents at end of year		9 395 340	19 778 020

Notes to the cash flow statements

1. Cash (utilised)/generated by operations

(Loss)/profit for the year	(24 093 657)	3 765 803
Adjustments:		
Finance income	(801 822)	(1 239 832)
Finance expense	221 711	-
Decrease in intangible asset	3 503 904	-
Depreciation	5 881	16 545
Impairment of inventory	1 438 054	500 000
Provisions	(130 029)	65 042
	(19 855 958)	3 107 558



The Shuttleworth Foundation Trusts

Notes to the Abridged Aggregated Financial Statements

At February 28 2007

1 Accounting Policies

This report complies with the requirements of IAS34/AC127, the South African Statement of Generally Accepted Accounting Practice. The results shown are the aggregation of The Shuttleworth Foundation Trust, The Shuttleworth Foundation Fundraising No 1 Trust and The Shuttleworth Foundation Fundraising No 2 Trust, all of which Mark Shuttleworth is the founder and one of the Trustees for part of the financial period. The information presented in this report has been audited by the external auditors.

1.1 Basis of preparation

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 2007. The accounting policies and methods used are consistent with those used in prior periods.

1.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised. Revenue is measured at the fair value of the consideration received or receivable net of any discounts, rebates and related taxes.

Finance income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts the future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Sale of goods

Revenue is recognised when significant risks and rewards of ownership from the sale of goods are transferred to the buyer.

Donations/bequests received

Revenue from donations received is recognised when the payment is due and payable. Donation income received has also been included in turnover as it is a core income generating activity of the Trusts.

1.3 Financial instruments

Financial assets in the scope of IAS39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. Financial assets and financial liabilities are initially recognised on the balance sheet when the expense becomes party to the contractual provisions of the instrument. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The trusts determine the classification of their financial assets after initial recognition and, where allowed and appropriate, reevaluates this designation at each financial year end.



The Shuttleworth Foundation Trusts

Notes to the Abridged Aggregated Financial Statements

At February 28 2007 (continued)

1 Accounting Policies (continued)

1.3 Financial instruments

Trade and other receivables

Trade receivables, which generally have 30 days' terms, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method less an allowance for impairment. Provision is made when there is objective evidence that the trust will not be able to collect the debts. Bad debts are recognised in profit or loss when identified.

Cash and cash equivalents

Bank balances and cash in the balance sheet are initially recognised at fair value and subsequently measured at amortised cost, and comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised where:

- The rights to receive cash flows from the asset have expired,
- The trusts retain the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, or
- The trusts have transferred their right to receive cash flows from the asset or either (A) have transferred substantially all the risks and rewards of the asset or (B) has neither transferred nor retained substantially all the risk and rewards of the asset, but have transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Impairment

All financial assets are reviewed (individually or collectively) for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying value of these instruments exceeds the recoverable amount, the asset is written down to the recoverable amount. Impairment losses are recognised in the income statement.



The Shuttleworth Foundation Trusts

Notes to the Abridged Aggregated Financial Statements

At February 28 2007 (continued)

1 Accounting Policies (continued)

1.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The economic useful lives of intangible assets are assessed to be either finite or infinite. The intangible assets of the trusts are considered to have a finite useful life and are therefore subsequently measured at cost less accumulated amortization and any accumulated impairments. The intangible assets are amortised on a usage basis over their economic useful life. The amortisation method is reviewed at each financial year end. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed and accounted for as a change in accounting estimates in accordance with IAS8.

Intangible assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable, to determine whether there is any indication of impairment. Impairment losses are recognised in the income statement.

1.6 Significant accounting judgements and estimates

Going concern

In the process of preparing the financial statements, the trustees agreed that the trusts were a going concern due to the following reasons:

- There is no intention to cease the operations of the trusts.
- Should the trusts require additional funding to continue operation, the funding would be provided by the founding donor, M R Shuttleworth.

Inventory provision

The carrying value of all inventory was written down to zero because the inventory was considered to have no commercial value.

	2007 Education R	2007 HIP2B ² R	2007 Total R	2006 Education R	2006 HIP2B ² R	2006 Total R
2 Revenue						
Sale of goods	-	5 318 956	5 318 956	-	6 478 949	6 478 949
Finance income	725 139	76 683	801 822	1 082 338	157 494	1 239 832
Project funded income	42 261	-	42 261	-	-	-
Donations	6 630 000	-	6 630 000	-	-	-
	<u>7 397 400</u>	<u>5 395 639</u>	<u>12 793 039</u>	<u>1 082 338</u>	<u>6 636 443</u>	<u>7 718 781</u>

3 Additional Information

Current year income statement has been split up into HIP2B² 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 Trustees' and third parties' donations.



The Shuttleworth Foundation Trusts

Notes to the Abridged Aggregated Financial Statements

At February 28 2007 (continued)

4 Distributions to Project and Related Expenses

Distributions exceeding the limit imposed on the management team of the trusts, are approved by the trustees. All are authorised on signature of a memorandum of understanding between the beneficiary of the distribution and the trust.

5 Intangible Assets

Broadcasting Rights

Balance at beginning of year

Additions

Television airtime used

Balance at end of year

	2007 R	2006 R
Balance at beginning of year	4 851 559	-
Additions	-	4 851 559
Television airtime used	(3 503 904)	-
Balance at end of year	1 347 655	4 851 559

An intangible asset has been recognised for the television airtime owing to HIP2B² from the SABC at year-end. The trust expects to realise the asset within twelve months after year-end.

6 Inventories

Merchandise (at cost)

Adjustment of inventory to net realisable value

Merchandise held at net realisable value

	2007 R	2006 R
Merchandise (at cost)	1 438 054	1 283 006
Adjustment of inventory to net realisable value	(1 438 054)	(500 000)
Merchandise held at net realisable value	-	783 006

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

7 Related Parties

Related party relationships exist between the donor, Mr M R Shuttleworth, 12 Plein Street Durbanville (Proprietary) Limited, HBD Business Holdings (Proprietary) Limited and HBD Management Services (Proprietary) Limited, HBD Investment Holdings (Proprietary) Limited and Impi Linux (Proprietary) Limited.

Transactions for the year

Mr M R Shuttleworth – Donation

12 Plein Street Durbanville (Proprietary) Limited

- premises and equipment rental

HBD Management Services (Proprietary) Limited

- management fees

- share of core costs

HBD Investment Holdings (Proprietary) Limited

- donations received

Balance owing to related party

HBD Business Holdings (Proprietary) Limited

Impi Linux (Proprietary) Limited

- Go Open Source sponsorship

	2007 R	2006 R
Mr M R Shuttleworth – Donation	-	40 000 000
12 Plein Street Durbanville (Proprietary) Limited		
- premises and equipment rental	(434 020)	(288 538)
HBD Management Services (Proprietary) Limited		
- management fees	922 157	1 529 292
- share of core costs	166 039	415 780
HBD Investment Holdings (Proprietary) Limited		
- donations received	6 300 000	-
Balance owing to related party		
HBD Business Holdings (Proprietary) Limited	9 222 583	-
Impi Linux (Proprietary) Limited		
- Go Open Source sponsorship	-	2 000 000

All transactions between related parties are entered into at arms length.

Outstanding balance at year end are unsecured, bears interest at 9% per annum and is payable on demand.



The Shuttleworth Foundation Trusts

Notes to the Abridged Aggregated Financial Statements

At February 28 2007 (continued)

8 Going Concern

In the new financial period (year-ending February 29 2008) M R Shuttleworth donated R80 million to the trust.

9 Audited Annual Financial Statements

The audited annual financial statements of The Shuttleworth Foundation Trust and The Shuttleworth Foundation Fundraising No 1 and No 2 Trusts can be obtained from the Trusts' registered office or postal address as indicated below:

Business address

12 Plein Street
Durbanville
7550

Postal address

P O Box 4163
Durbanville
7551

Contact Details

Address:

P O Box 4163, Durbanville, 7551

Telephone Number:

+27 21 970 1200

Fax Number:

+27 21 970 1201

Website:

www.shuttleworthfoundation.org



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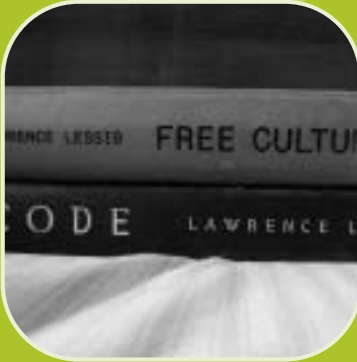
AtlantisSS - Jason Hudson ©



GOSSIP - R@punsell ©



Scrabble - Allyrose18 ©



Lessig x - Lathiu ©



www.shuttleworthfoundation.org