

Victory 4 All Foundation Trust
(Registration number IT971/2005)
Annual Financial Statements
for the year ended 31 December 2013

Victory 4 All Foundation Trust

(Registration number IT971/2005)

Annual Financial Statements for the year ended 31 December 2013

General Information

Country of incorporation and domicile	South Africa
Type of trust	Intervivos
Trustees	J Vos J Felix LP Els C de Zwart TC van der Ree
Registered office	17 Red Heart Crescent Jeffreys Bay 6330
Business address	17 Red Heart Crescent Jeffreys Bay 6330
Postal address	17 Red Heart Crescent Jeffreys Bay 6330
Bankers	ABSA
Compiler	Moore stephens WK Incorporated Chartered Accountants (S.A.)
Trust registration number	IT971/2005
Tax reference number	0003/489/17/6
Level of assurance	These annual financial statements have not been audited or independently reviewed.

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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 year 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 external compiler is engaged to express an independent opinion on the annual financial statements.

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 board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 31 December 2014 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 annual financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the board of trustees on 25 April 2014 and were signed on its behalf by:

J Vos

Jeffreys Bay

25 April 2014

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Independent Compiler's Report

To Victory 4 All Foundation Trust

On the basis of information provided by the trustees we have compiled, in accordance with the statement of International Standard on Related Services 4410 (Revised), Compilation Engagements, the statement of financial position of Victory 4 All Foundation Trust at 31 December 2013 and the statements of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

The trustees are responsible for these annual financial statements and the accuracy and completeness of the information used to compile them.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. We have not audited or reviewed these annual financial statements, and accordingly we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Moore Stephens WK Incorporated
Chartered Accountants (S.A.)

MOORE STEPHENS WK INC.

Per: J Barnard

Jeffreys Bay
25 April 2014

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Statement of Financial Position as at 31 December 2013

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	12,311,127	11,680,842
Current Assets			
Cash and cash equivalents	3	6,720	76,185
Total Assets		12,317,847	11,757,027
Equity and Liabilities			
Equity			
Trust capital		5,802,480	5,802,480
Accumulated surplus		6,515,367	5,954,547
Total Equity and Liabilities		12,317,847	11,757,027

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue			
Donations		4,674,410	5,652,393
Other income			
Profit on sale of vehicle		-	48,750
Insurance claim received		-	7,235
Interest received		323	60
		323	56,045
Expenses (Refer to page 7)		(4,113,913)	(3,352,510)
Surplus for the year		560,820	2,355,928
Other comprehensive income		-	-
Total comprehensive income for the year		560,820	2,355,928

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Operating expenses			
Accounting fees		18,433	29,765
Adoption plan		3,402	6,100
Advertising		-	3,094
Application fee - Fosterhome subsidy		-	31,147
Bakery purchases		31,686	24,514
Bank charges		17,558	19,053
Cleaning		2,508	11,793
Computer expenses		36,247	52,965
Consulting and professional fees		-	26,617
Depreciation		499,813	346,283
Direct Help Program		20,020	17,449
Donations		6,358	5,879
Electricity		1,100	870
Employee costs		2,166,901	1,368,670
Equipment hire		320	2,075
Events expenses		23,989	20,816
Fines and penalties		400	150
Hospitality & Accommodation		31,218	20,493
Insurance		36,452	29,843
Marketing & Promotions		35,808	8,482
Medical assistance		75,693	2,603
Motor vehicle expenses		124,818	175,542
Motor vehicle hire		3,382	5,000
Noah's Ark		40,945	39,891
Pest control		2,337	1,110
Petrol and oil		95,120	105,907
Printing and stationery		117,910	48,234
Purchase Handbooks		61,236	67,845
Rainbow expenses		13,945	5,850
Rent - self storage		3,600	4,200
Repairs and maintenance - Bakery		11,581	14,566
Repairs and maintenance - Care centre		1,860	72,803
Repairs and maintenance - General		38,052	28,707
Repairs and maintenance - Metal fencing		-	70,456
Repairs and maintenance - Worship centre		12,757	40,193
Security		8,650	6,371
Small equipment		791	11,379
Soup kitchen		44,418	182,137
Staff welfare		-	6,061
Support Fosterhomes		462,880	351,062
Telephone and fax		21,898	17,668
Training		-	2,600
Travel and Accommodation		39,828	66,268
		4,113,914	3,352,511

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Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 01 January 2012	5,802,480	3,598,619	9,401,099
Surplus for the year	-	2,355,928	2,355,928
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,355,928	2,355,928
Balance at 01 January 2013	5,802,480	5,954,547	11,757,027
Surplus for the year	-	560,820	560,820
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	560,820	560,820
Balance at 31 December 2013	5,802,480	6,515,367	12,317,847

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Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash receipts from customers		4,674,410	5,652,393
Cash paid to suppliers and employees		(3,614,100)	(2,950,242)
Cash generated from operations	4	1,060,310	2,702,151
Interest income		323	60
Net cash from operating activities		1,060,633	2,702,211
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,130,098)	(2,638,835)
Total cash movement for the year		(69,465)	63,376
Cash at the beginning of the year		76,185	12,809
Total cash at end of the year	3	6,720	76,185

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared 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 items that:

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Buildings	Indefinite
Furniture and fixtures	5 years
Motor vehicles	5 years
Containers	Indefinite
Bakery equipment	6 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

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Notes to the Annual Financial Statements

Figures in Rand

2013

2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Buildings	10,562,974	-	10,562,974	9,574,552	-	9,574,552
Furniture and fixtures	671,214	(222,239)	448,975	543,538	(87,996)	455,542
Motor vehicles	577,849	(388,671)	189,178	577,849	(273,101)	304,748
Containers	110,000	-	110,000	96,000	-	96,000
Bakery equipment	1,500,000	(500,000)	1,000,000	1,500,000	(250,000)	1,250,000
Total	13,422,037	(1,110,910)	12,311,127	12,291,939	(611,097)	11,680,842

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Buildings	9,574,552	988,422	-	10,562,974
Furniture and fixtures	455,542	127,676	(134,243)	448,975
Motor vehicles	304,748	-	(115,570)	189,178
Containers	96,000	14,000	-	110,000
Bakery equipment	1,250,000	-	(250,000)	1,000,000
	11,680,842	1,130,098	(499,813)	12,311,127

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Buildings	7,173,004	2,401,548	-	9,574,552
Furniture and fixtures	410,403	68,538	(23,399)	455,542
Motor vehicles	214,882	162,749	(72,883)	304,748
Containers	90,000	6,000	-	96,000
Bakery equipment	1,500,000	-	(250,000)	1,250,000
	9,388,289	2,638,835	(346,282)	11,680,842

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Notes to the Annual Financial Statements

Figures in Rand	2013	2012
2. Property, plant and equipment (continued)		
Details of properties		
Erf 563,Pellsrus (Solomon Mahlandu Road)		
- Cost price:	30,000	30,000
- Improvements	5,000	5,000
	35,000	35,000
Foster home - Humandorp (3)		
Foster home has been build on Leased Land.		
- Cost Price	1,950,000	1,950,000
- Improvements	107,696	-
	2,057,696	1,950,000
Foster homes - Jeffreys bay (5)		
7 Koraal street, C-Place (Erf 950, Jeffreys bay) and 16 Calamari Street, Pellsrus (Erf 549, Jeffreys bay)		
- Cost Price	360,000	360,000
- Improvements	2,782,726	2,782,726
	3,142,726	3,142,726
Office		
20 Garnaal Street,Pellsrus (Erf 549,Pellsrus)		
- Cost Price	395,000	395,000
- Improvements	80,000	80,000
	475,000	475,000
Other		
- Care centre	794,629	672,306
- Wendy hut	72,805	14,520
- 15 Mandela Street	85,000	85,000
- Worship centre	2,950,117	3,200,000
- Rainbow School	950,000	-
	4,852,551	3,971,826
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	6,720	76,185
4. Cash generated from operations		
Surplus before taxation	560,820	2,355,928
Adjustments for:		
Depreciation and amortisation	499,813	346,283
Interest received	(323)	(60)
	1,060,310	2,702,151