

**Victory 4 All Foundation Trust
(Registration number IT971/2005)
Annual Financial Statements
for the year ended 31 December 2016**

**Moore Stephens WK Incorporated
Chartered Accountants (SA)
Issued 26 May 2017**

Victory 4 All Foundation Trust

(Registration number IT971/2005)

Annual Financial Statements for the year ended 31 December 2016

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 6300
Business address	17 Red Heart Crescent Jeffreys Bay 6300
Postal address	17 Red Heart Crescent Jeffreys Bay 6300
Compiler	Moore Stephens WK Incorporated Chartered Accountants (SA)
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 basis of accounting as set out in Note 1 to the financial statements. 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 basis of accounting as set out in Note 1 to the financial statements 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 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 26 May 2017 and were signed on its behalf by:

Trustee

Jeffreys Bay

26 May 2017

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Practitioner's Compilation Report

www.moorestephens.co.za

To Victory 4 All Foundation Trust

We have compiled the annual financial statements of Victory 4 All Foundation Trust, as set out on pages 5 - 12, based on the information you have provided. These annual financial statements comprise the statement of financial position of Victory 4 All Foundation Trust as at 31 December 2016, the statement of comprehensive 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 performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

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 basis of accounting as set out in Note 1 to the financial statements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

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 annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements.

Note 1 states the basis on which these annual financial statements are prepared, and their purpose is described in the note. Accordingly, these annual financial statements may not be suitable for other purposes.

Moore Stephens WK Incorporated
Chartered Accountants(S.A)

MOORE STEPHENS WK INC.

Per: J Barnard
Director

26 May 2017
Jeffreys Bay

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Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

	Note(s)	2016 R	2015 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	21 638 008	15 857 538
Current Assets			
Cash and cash equivalents	3	230 032	2 070 563
Total Assets		21 868 040	17 928 101
Equity and Liabilities			
Equity			
Trust capital		5 802 480	5 802 480
Accumulated surplus		16 065 560	12 125 621
		21 868 040	17 928 101
Liabilities			
Total Equity and Liabilities		21 868 040	17 928 101

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Statement of Comprehensive Income

	Note(s)	2016 R	2015 R
Revenue			
Donations		9 904 335	8 792 975
Rendering of Services		628 069	489 648
		10 532 404	9 282 623
Other income			
Insurance claim received		6 895	11 377
Interest received		12 930	6 815
		19 825	18 192
Operating expenses			
Accounting fees		22 094	20 047
Arts and projects - Rainbow Centre		9 048	41 708
Bank charges		29 024	21 778
Computer expenses		47 537	58 687
Depreciation		532 929	496 366
Direct help program		1 154	14 344
Electricity		5 334	14 973
Employee costs		3 740 294	2 832 087
Fines and penalties		4 101	1 300
General cost		240 773	71 816
Hospitality, accomodation & school festivals		55 342	52 819
Insurance		54 348	44 533
King's college stationary		6 472	36 240
Legal expenses		6 000	-
Marketing & promotions		42 000	44 700
Medical assistance		-	29 170
Motor vehicle expenses		135 322	124 407
Pest control		-	6 656
Petrol and oil		80 778	82 291
Printing and stationery		291 737	75 073
Promo video clips		21 000	-
Promotions and gifts		740	1 150
Purchase handbooks		87 784	27 813
Rainbow expenses		-	26 681
Rent - Self storage		-	9 504
Repairs and maintenance		343 460	231 337
School necessities		14 122	29 097
Security		24 443	19 542
Small equipment		22 258	10 780
Soup kitchen & Bakery		280 786	196 350
Support fosterhomes		242 414	401 866
Telephone and fax		168 281	121 285
Training		15 493	7 457
Transport costs		87 222	145 783
		6 612 290	5 297 640
Surplus for the year		3 939 939	4 003 175
Other comprehensive income		-	-
Total comprehensive income for the year		3 939 939	4 003 175

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Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
Balance at 01 January 2015	5 802 480	8 122 446	13 924 926
Surplus for the year	-	4 003 175	4 003 175
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	4 003 175	4 003 175
Balance at 01 January 2016	5 802 480	12 125 621	17 928 101
Surplus for the year	-	3 939 939	3 939 939
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	3 939 939	3 939 939
Balance at 31 December 2016	5 802 480	16 065 560	21 868 040

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Statement of Cash Flows

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Cash receipts from customers		10 532 329	9 282 622
Cash paid to suppliers and employees		(6 072 391)	(4 789 893)
Cash generated from operations	4	4 459 938	4 492 729
Interest income		12 930	6 815
Net cash from operating activities		4 472 868	4 499 544
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(6 313 399)	(2 624 704)
Total cash movement for the year		(1 840 531)	1 874 840
Cash at the beginning of the year		2 070 563	195 723
Total cash at end of the year	3	230 032	2 070 563

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the accounting policies as set out below. The annual financial statements have been prepared on the historical cost basis. 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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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 as follows:

Item	Average useful life
Buildings	100 Years (100% Residual Value)

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

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Notes to the Annual Financial Statements

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	20 797 880	-	20 797 880	14 767 242	-	14 767 242
Furniture and fixtures	768 721	(662 633)	106 088	743 231	(511 397)	231 834
Motor vehicles	950 119	(667 397)	282 722	692 849	(577 244)	115 605
Container	120 630	(23 465)	97 165	120 631	(11 402)	109 229
Other fixed assets	153 007	(48 705)	104 302	153 007	(19 280)	133 727
Bakery equipment	1 502 995	(1 253 144)	249 851	1 502 995	(1 003 094)	499 901
Total	24 293 352	(2 655 344)	21 638 008	17 979 955	(2 122 417)	15 857 538

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Buildings	14 767 242	6 030 638	-	20 797 880
Furniture and fixtures	231 834	25 490	(151 236)	106 088
Motor vehicles	115 605	257 271	(90 154)	282 722
Container	109 229	-	(12 064)	97 165
Other fixed assets	133 727	-	(29 425)	104 302
Bakery equipment	499 901	-	(250 050)	249 851
	15 857 538	6 313 399	(532 929)	21 638 008

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Buildings	12 328 334	2 438 908	-	14 767 242
Furniture and fixtures	335 201	36 139	(139 506)	231 834
Motor vehicles	199 105	-	(83 500)	115 605
Container	110 000	10 631	(11 402)	109 229
Other fixed assets	6 610	139 026	(11 909)	133 727
Bakery equipment	749 951	-	(250 050)	499 901
	13 729 201	2 624 704	(496 367)	15 857 538

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Notes to the Annual Financial Statements

	2016 R	2015 R
2. Property, plant and equipment (continued)		
Details of properties		
Erf 561, Pellsrus (Solomon Mahlangu Road)		
Cost Price	30 000	30 000
Improvements	5 000	5 000
	35 000	35 000
Foster Home- Humansdorp		
Foster Home - Humansdorp (3)	1 950 000	1 950 000
Improvements	232 696	232 696
	2 182 696	2 182 696
Foster Home- Jeffreys Bay(5)		
7 Koraal Straat, C-Place (Erf 950, Jeffreys Bay) and 16 Calamari Street Pellsrus Erf 197, Jeffreys Bay		
Cost Price	360 000	360 000
Improvements	2 815 380	2 815 380
	3 175 380	3 175 380
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	810 548	810 548
Wooden Classrooms	159 215	152 805
15 Mandela Street	85 000	85 000
Worship Centre	2 950 117	2 950 117
Rainbow School	2 620 360	2 620 360
Rainbow Hall	2 816 293	967 385
New Activity Centre	164 902	164 902
Kings College- New School Building	5 323 368	1 148 049
	14 929 803	8 899 166
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	23 003	105 298
Bank balances	207 029	1 965 265
	230 032	2 070 563

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Notes to the Annual Financial Statements

	2016 R	2015 R
4. Cash generated from operations		
Surplus before taxation	3 939 939	4 003 175
Adjustments for:		
Depreciation and amortisation	532 929	496 366
Interest received	(12 930)	(6 815)
Changes in working capital:		
Trade and other payables	-	3
	4 459 938	4 492 729