

**Victory 4 All Foundation Trust
(Registration number IT971/2005)
Annual Financial Statements
for the year ended 31 December 2017**

**Moore Stephens WK Incorporated
Chartered Accountants (SA)
Issued 11 May 2018**

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

General Information

Country of incorporation and domicile	South Africa
Type of trust	Inter vivos
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
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.
Compiler	Moore Stephens WK Incorporated Chartered Accountants (S.A.)

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the trustees:

	Page
Trustees' Responsibilities and Approval	3
Practitioner's Compilation Report	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Annual Financial Statements	11 - 13

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

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 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 14, which have been prepared on the going concern basis, were approved by the board of trustees on 11 May 2018:

Trustee

Jeffreys Bay

11 May 2018

Practitioner's Compilation Report

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 - 14, 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 2017, 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 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

11 May 2018
Jeffreys Bay

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Statement of Financial Position as at 31 December 2017

	Notes	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	26 932 039	21 638 008
Current Assets			
Trade and other receivables	3	126 015	-
Cash and cash equivalents	4	2 128 109	230 032
		2 254 124	230 032
Total Assets		29 186 163	21 868 040
Equity and Liabilities			
Equity			
Trust capital		5 802 480	5 802 480
Accumulated surplus		23 383 683	16 065 560
		29 186 163	21 868 040
Liabilities			
Total Equity and Liabilities		29 186 163	21 868 040

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Statement of Comprehensive Income

	Notes	2017 R	2016 R
Revenue			
Donations		14 705 777	9 904 335
Rendering of services		-	628 069
		14 705 777	10 532 404
Other income			
Insurance claim received		-	6 895
Interest received	5	11 050	12 930
		11 050	19 825
Operating expenses			
Accounting fees		18 638	22 094
Administration expenses		12 574	-
Arts and projects - Rainbow Centre		1 408	9 048
Bank charges		40 131	29 019
Books		74 170	-
Computer expenses		41 251	47 537
Depreciation		482 052	532 929
Direct help program		-	1 154
Electricity		11 024	5 334
Employee costs		4 423 985	3 740 294
Fines and penalties		738	4 101
General costs		207 642	240 773
Hospitality, accomodation & school festivals		36 126	55 342
Insurance		80 645	54 348
King's college stationary		72 394	6 472
Legal expenses		5 886	6 000
Marketing & promotions		57 968	42 000
Motor vehicle expenses		126 235	135 322
Petrol and oil		206 225	80 778
Printing and stationary		118 642	291 737
Promo video clips		1 135	21 000
Promotions and gifts		8 687	740
Purchase handbooks		66 689	87 785
Repairs and maintenance		379 590	343 460
School necessities		4 774	14 123
Security		193 195	24 443
Small equipment		18 420	22 258
Soup kitchen & Bakery		194 359	280 786
Support fosterhomes		136 285	242 414
Telephone and fax		209 310	168 281
Training		26 515	15 493
Transport costs		142 025	87 222
		7 398 718	6 612 287
Operating surplus			
Finance costs	6	14	-
		7 318 109	3 939 942
Surplus for the year			
Other comprehensive income		-	-
		7 318 123	3 939 942
Total comprehensive income for the year			
		7 318 123	3 939 942

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
Balance at 01 January 2016	5 802 480	12 125 618	17 928 098
Surplus for the year	-	3 939 942	3 939 942
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	3 939 942	3 939 942
Balance at 01 January 2017	5 802 480	16 065 560	21 868 040
Surplus for the year	-	7 318 123	7 318 123
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	7 318 123	7 318 123
Balance at 31 December 2017	5 802 480	23 383 683	29 186 163

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Statement of Cash Flows

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from customers		15 513 228	10 532 329
Cash paid to suppliers and employees		(7 850 131)	(6 072 390)
Cash generated from operations	7	7 663 097	4 459 939
Interest income		11 050	12 930
Finance costs		14	-
Net cash from operating activities		7 674 161	4 472 869
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5 776 084)	(6 313 399)
Total cash movement for the year		1 898 077	(1 840 530)
Cash at the beginning of the year		230 032	2 070 562
Total cash at end of the year	4	2 128 109	230 032

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis 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 assets which the trust holds for its own use or for rental to others and which are expected to be used for more than one period.

Cost includes 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

Item	Average useful life
Buildings	100 Years (100% Residual Value)
Land	Indefinite
Furniture and fixtures	5 years
Motor vehicles	4 years
Container	10 years
Other fixed assets	5 years
Bakery equipment	6 years

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Accounting Policies

1.3 Revenue

Revenue is recognised to the extent that the trust has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the trust. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	740 000	-	740 000	-	-	-
Buildings	25 630 284	-	25 630 284	20 797 880	-	20 797 880
Furniture and fixtures	793 401	(729 270)	64 131	768 721	(662 633)	106 088
Motor vehicles	1 129 119	(791 475)	337 644	950 119	(667 397)	282 722
Container	120 630	(35 528)	85 102	120 630	(23 465)	97 165
Other fixed assets	153 007	(78 131)	74 876	153 007	(48 705)	104 302
Bakery equipment	1 502 995	(1 502 993)	2	1 502 995	(1 253 144)	249 851
Total	30 069 436	(3 137 397)	26 932 039	24 293 352	(2 655 344)	21 638 008

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Land	-	740 000	-	740 000
Buildings	20 797 880	4 832 404	-	25 630 284
Furniture and fixtures	106 088	24 680	(66 637)	64 131
Motor vehicles	282 722	179 000	(124 078)	337 644
Container	97 165	-	(12 063)	85 102
Other fixed assets	104 302	-	(29 426)	74 876
Bakery equipment	249 851	-	(249 849)	2
	21 638 008	5 776 084	(482 053)	26 932 039

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Closing balance
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

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
2. Property, plant and equipment (continued)		
Details of properties		
Erf 561, Pellsrus (Solomon Mahlangu Road)		
20 Garnaal Street, Pellsrus (Erf 549, Pellsrus)		
Purchase price	30 000	30 000
Improvements	5 000	5 000
	35 000	35 000
Foster Home - Humansdorp		
Purchase price	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		
Purchase price	950 000	950 000
Improvements	2 192 727	2 192 727
	3 142 727	3 142 727
Office		
20 Garnaal Street, Pellsrus (Erf 549, Pellsrus)		
Purchase price	395 000	395 000
Improvements	80 000	80 000
	475 000	475 000
Erf 545, Kruisfontein		
Purchase price	740 000	-
Other		
Care Centre	810 548	810 548
Wooden Classrooms	216 971	159 215
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	3 589 407	2 816 293
New Activity Centre	164 902	164 902
Kings College - New School Building	9 138 758	5 323 368
Shalom Centre	154 406	-
Christian School Wavecrest	31 740	-
Playground Pellsrus	32 653	32 653
	19 794 862	14 962 456
3. Trade and other receivables		
Trade receivables	126 015	-

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Annual Financial Statements for the year ended 31 December 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	74 240	23 003
Bank balances	2 053 869	207 029
	2 128 109	230 032
5. Investment revenue		
Interest		
Bank	11 050	12 930
6. Finance costs		
Bank	14	-
7. Cash generated from operations		
Surplus before taxation	7 318 123	3 939 942
Adjustments for:		
Depreciation	482 052	532 929
Interest received	(11 050)	(12 930)
Finance costs	(14)	-
Changes in working capital:		
Trade and other receivables	(126 014)	-
Trade and other payables	-	(2)
	7 663 097	4 459 939