

Victory 4 All Foundation Trust  
(Registration number IT971/2005)  
Financial statements  
for the year ended 31 December 2018

Moore Stephens WK Incorporated  
Chartered Accountants (SA)  
Issued 24 April 2019

# Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2018

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Type of trust</b>	Inter vivos
<b>Trustees</b>	J Vos J Felix LP Els C de Zwart TC van der Ree
<b>Registered office</b>	17 Red Heart Crescent Jeffreys Bay 6300
<b>Business address</b>	17 Red Heart Crescent Jeffreys Bay 6300
<b>Postal address</b>	17 Red Heart Crescent Jeffreys Bay 6300
<b>Trust registration number</b>	IT971/2005
<b>Tax reference number</b>	0003/489/17/6
<b>Level of assurance</b>	These financial statements have not been audited or independently reviewed.
<b>Compiler</b>	Moore Stephens WK Incorporated Chartered Accountants (S.A.)

# Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2018

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

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# Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2018

## Trustees' Responsibilities and Approval

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 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 financial statements, set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of trustees on 24 April 2019 and were signed on its behalf by:

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Trustee

Jeffreys Bay

24 April 2019

Long live sensible

**MOORE STEPHENS**

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## **Practitioner's Compilation Report**

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### **To Victory 4 All Foundation Trust**

We have compiled the financial statements of Victory 4 All Foundation Trust, as set out on pages 5 - 13, based on the information you have provided. These financial statements comprise the statement of financial position of Victory 4 All Foundation Trust as at 31 December 2018, 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 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 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 financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these 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 financial statements are prepared, and their purpose is described in notes. Accordingly, these financial statements may not be suitable for other purposes.

*MOORE STEPHENS WK INC .*

**Moore Stephens WK Incorporated**  
**J Barnard**  
**Director**  
**Chartered Accountants (S.A.)**

**24 April 2019**  
**Jeffreys Bay**

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*An independent member firm of Moore Stephens International Limited – members in principal cities throughout the world.*

Moore Stephens WK Inc./Ing. | Reg No 1998/006810/21 trading as / wat handel dryf as Moore Stephens. Registered Auditors / Geregistreerde Ouditoure.  
Directors / Direkteure: WG Melville, JMW Viviers, G Friend, P Kemp, J Verwey, J van Zyl, J Barnard.

# Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2018

## Statement of Financial Position as at 31 December 2018

	Notes	2018 R	2017 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	34,025,685	26,932,039
<b>Current Assets</b>			
Trade and other receivables	3	121,555	126,015
Cash and cash equivalents	4	479,614	2,128,109
		<b>601,169</b>	<b>2,254,124</b>
<b>Total Assets</b>		<b>34,626,854</b>	<b>29,186,163</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital		5,802,480	5,802,480
Accumulated surplus		28,824,374	23,383,683
		<b>34,626,854</b>	<b>29,186,163</b>
<b>Liabilities</b>			
<b>Total Equity and Liabilities</b>		<b>34,626,854</b>	<b>29,186,163</b>

# Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2018

## Statement of Comprehensive Income

	Notes	2018 R	2017 R
<b>Revenue</b>			
Donations		13,983,915	14,705,778
<b>Other income</b>			
Insurance claim received		5,925	-
Interest received	5	10,645	11,050
		<b>16,570</b>	<b>11,050</b>
<b>Operating expenses</b>			
Accounting fees		21,765	18,638
Administration expenses		23,023	12,574
Arts and projects - Rainbow Centre		124	1,408
Bank charges		54,219	40,136
Books		100,349	140,860
Computer expenses		113,356	41,251
Depreciation		227,379	482,052
Electricity		199,647	11,024
Employee costs		5,798,066	4,423,985
Fines and penalties		750	738
General costs		485,921	207,638
Hospitality, accommodation and school festivals		18,484	36,126
Insurance		117,889	80,645
King's College stationary		99,487	72,394
Legal expenses		-	5,886
Marketing and promotions		6,662	57,969
Motor vehicle expenses		92,510	126,235
Petrol and oil		74,624	206,225
Printing and stationery		195,927	118,641
Promo video clips		14,698	1,135
Promotions and gifts		10,024	8,687
Repairs and maintenance		168,953	379,589
School necessities		1,682	4,774
Security		214,483	193,195
Small equipment		59,222	18,420
Soup kitchen and bakery		118,384	194,359
Support fosterhomes		91,226	136,285
Telephone and fax		61,704	209,310
Training		46,011	26,515
Transport costs		143,223	142,025
		<b>8,559,792</b>	<b>7,398,719</b>
<b>Operating surplus</b>			
Finance costs	6	(2)	14
		<b>5,440,693</b>	<b>7,318,109</b>
<b>Surplus for the year</b>			
Other comprehensive income		-	-
		<b>5,440,691</b>	<b>7,318,123</b>
<b>Total comprehensive income for the year</b>			
		<b>5,440,691</b>	<b>7,318,123</b>

## Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2018

### Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
<b>Balance at 01 January 2017</b>	<b>5,802,480</b>	<b>16,065,560</b>	<b>21,868,040</b>
Surplus for the year	-	7,318,123	7,318,123
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>7,318,123</b>	<b>7,318,123</b>
<b>Balance at 01 January 2018</b>	<b>5,802,480</b>	<b>23,383,683</b>	<b>29,186,163</b>
Surplus for the year	-	5,440,691	5,440,691
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>5,440,691</b>	<b>5,440,691</b>
<b>Balance at 31 December 2018</b>	<b>5,802,480</b>	<b>28,824,374</b>	<b>34,626,854</b>



# Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2018

## Statement of Cash Flows

	Notes	2018 R	2017 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		14,666,442	15,513,228
Cash paid to suppliers and employees		(9,004,555)	(7,850,136)
Cash generated from operations	7	5,661,887	7,663,092
Interest income		10,645	11,050
Finance costs		(2)	14
<b>Net cash from operating activities</b>		<b>5,672,530</b>	<b>7,674,156</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(7,321,025)	(5,776,085)
<b>Total cash movement for the year</b>		<b>(1,648,495)</b>	<b>1,898,071</b>
Cash at the beginning of the year		2,128,109	230,038
<b>Total cash at end of the year</b>	4	<b>479,614</b>	<b>2,128,109</b>

# Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2018

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at amortised cost. 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.

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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

#### 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.

#### 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.

# **Victory 4 All Foundation Trust**

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Financial Statements for the year ended 31 December 2018

## **Accounting Policies**

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### **1.3 Revenue (continued)**

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

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Financial Statements for the year ended 31 December 2018

## Notes to the Financial Statements

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	740,000	-	740,000	740,000	-	740,000
Buildings	32,741,132	-	32,741,132	25,630,285	-	25,630,285
Furniture and fixtures	829,701	(754,479)	75,222	793,401	(729,270)	64,131
Motor vehicles	1,268,119	(941,106)	327,013	1,129,119	(791,476)	337,643
IT equipment	34,877	(11,051)	23,826	-	-	-
Container	120,630	(47,591)	73,039	120,630	(35,528)	85,102
Other fixed assets	153,007	(107,556)	45,451	153,007	(78,131)	74,876
Bakery equipment	1,502,995	(1,502,993)	2	1,502,995	(1,502,993)	2
<b>Total</b>	<b>37,390,461</b>	<b>(3,364,776)</b>	<b>34,025,685</b>	<b>30,069,437</b>	<b>(3,137,398)</b>	<b>26,932,039</b>

### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Land	740,000	-	-	740,000
Buildings	25,630,285	7,110,847	-	32,741,132
Furniture and fixtures	64,131	36,300	(25,209)	75,222
Motor vehicles	337,643	139,000	(149,630)	327,013
IT equipment	-	34,878	(11,052)	23,826
Container	85,102	-	(12,063)	73,039
Other fixed assets	74,876	-	(29,425)	45,451
Bakery equipment	2	-	-	2
	<b>26,932,039</b>	<b>7,321,025</b>	<b>(227,379)</b>	<b>34,025,685</b>

### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Land	-	740,000	-	740,000
Buildings	20,797,880	4,832,405	-	25,630,285
Furniture and fixtures	106,088	24,680	(66,637)	64,131
Motor vehicles	282,722	179,000	(124,079)	337,643
Container	97,165	-	(12,063)	85,102
Other fixed assets	104,302	-	(29,426)	74,876
Bakery equipment	249,851	-	(249,849)	2
	<b>21,638,008</b>	<b>5,776,085</b>	<b>(482,054)</b>	<b>26,932,039</b>

# Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2018

## Notes to the Financial Statements

	2018 R	2017 R
<b>2. Property, plant and equipment (continued)</b>		
<b>Details of properties</b>		
<b>Erf 561, Pellsrus (Solomon Mahlangu Road)</b>		
20 Garnaal Street, Pellsrus (Erf 549, Pellsrus)		
Purchase Price	30,000	30,000
Improvements	5,000	5,000
	<b>35,000</b>	<b>35,000</b>
<b>Foster Home - Humansdorp</b>		
Purchase price	1,950,000	1,950,000
Improvements	232,696	232,696
	<b>2,182,696</b>	<b>2,182,696</b>
<b>Foster Home - Jeffreys Bay (5)</b>		
7 Koraal Street, C-Place (Erf 950, Jeffreys Bay) and Calamari Street Pellsrus Erf 197 Jeffreys Bay		
Purchase price	950,000	950,000
Improvements	2,192,727	2,192,727
	<b>3,142,727</b>	<b>3,142,727</b>
<b>Office</b>		
20 Garnaal Street, Pellsrus (Erf 549, Pellsrus)		
Purchase price	395,000	395,000
Improvements	80,000	80,000
	<b>475,000</b>	<b>475,000</b>
<b>Erf 545, Kruisfontein</b>		
Purchase price	740,000	740,000
<b>Other</b>		
Care Centre	810,548	810,548
Wooden classrooms	216,971	216,971
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	3,606,657	3,589,407
New Activity Centre	164,902	164,902
Kings College - New school building	15,269,865	9,138,758
Shalom Centre	1,116,896	154,406
Christian School Wavecrest	31,740	31,740
Playground Pellsrus	32,653	32,653
	<b>26,905,709</b>	<b>19,794,862</b>
<b>3. Trade and other receivables</b>		
Trade receivables	121,555	126,015

# Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2018

## Notes to the Financial Statements

	2018 R	2017 R
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	20,304	78,392
Bank balances	459,310	2,049,717
	<b>479,614</b>	<b>2,128,109</b>
<b>5. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	10,645	11,050
<b>6. Finance costs</b>		
Bank	2	(14)
<b>7. Cash generated from operations</b>		
Surplus for the year	5,440,691	7,318,123
<b>Adjustments for:</b>		
Depreciation	227,379	482,052
Interest received	(10,645)	(11,050)
Finance costs	2	(14)
<b>Changes in working capital:</b>		
Trade and other receivables	4,460	(126,015)
Trade and other payables	-	(4)
	<b>5,661,887</b>	<b>7,663,092</b>