

**Victory 4 All Foundation Trust
(Registration number IT971/2005)
Financial statements
for the year ended 31 December 2019**

**Moore
Chartered Accountants (S.A.)
Issued 31 March 2020**

Victory 4 All Foundation Trust

(Registration number: IT971/2005)

Financial Statements for the year ended 31 December 2019

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 financial statements have not been audited or independently reviewed.
Preparer	The financial statements were independently compiled by: J Bamard Chartered Accountants (S.A.)

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Financial Statements for the year ended 31 December 2019

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The reports and statements set out below comprise the 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 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 described in Note 1 to the financial statements.

The financial statements are prepared in accordance with the basis of accounting described 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 31 March 2020 and were signed on its behalf by:

Trustee

Humansdorp

31 March 2020

Practitioner's Compilation Report

To Victory 4 All Foundation Trust

We have compiled the financial statements of Victory 4 All Foundation Trust, as set out on pages 5 to 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 2019, 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 described 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 described in Note 1.

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



Moore WK incorporated
J Barnard
Director
Chartered Accountants (S.A.)

31 March 2020
Jeffreys Bay

Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

	Notes	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	40,533,876	34,025,685
Current Assets			
Trade and other receivables	3	164,470	121,556
Cash and cash equivalents	4	1,019,694	479,614
		1,184,164	601,170
Total Assets		41,718,040	34,626,855
Equity and Liabilities			
Equity			
Trust capital		5,802,480	5,802,480
Accumulated surplus		35,915,560	28,824,375
		41,718,040	34,626,855
Total Equity and Liabilities		41,718,040	34,626,855

Victory 4 All Foundation Trust

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Statement of Comprehensive Income

	Notes	2019 R	2018 R
Revenue			
Donations		15,101,448	13,581,094
School fees		606,625	401,175
		15,708,073	13,982,269
Other income			
Bus fees		21,000	-
Gains on disposal of assets		1,748	-
Insurance claim received		102,030	5,925
Sundry income		13,540	1,646
		138,318	7,571
Operating expenses			
Accounting fees		29,854	21,765
Bank charges		54,413	54,219
Computer expenses		74,585	113,356
Depreciation		301,657	227,379
Electricity		265,201	199,647
Employee costs		5,373,436	5,798,066
Fines and penalties		-	750
General costs		223,574	485,921
Hospitality, accommodation and school festivals		22,286	18,484
Insurance		201,364	117,889
Kings's College stationary		58,425	99,487
Marketing and promotions		1,398	6,662
Motor vehicle expenses		87,376	92,510
Petrol and oil		96,968	74,624
Printing and stationery		368,609	218,951
Profit and loss on sale of assets and liabilities		32,480	-
Promo video clips		16,636	14,698
Promotions and gifts		25,697	10,024
Repairs and maintenance		504,346	168,953
School events		121,559	100,349
School necessities		14,000	1,806
Security / alarm systems		252,852	214,483
Small equipment		49,622	59,222
Soup kitchen and bakery		163,710	118,384
Support fosterhomes		188,157	91,226
Telephone and fax		52,224	61,704
Training		16,054	46,011
Transport costs		159,492	143,223
		8,755,975	8,559,793
Operating surplus		7,090,416	5,430,047
Interest received - investment	6	769	10,645
Surplus for the year		7,091,185	5,440,692
Other comprehensive income		-	-
Total comprehensive income for the year		7,091,185	5,440,692

Victory 4 All Foundation Trust

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Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	R	R	R
Balance at 01 January 2018	5,802,480	23,383,683	29,186,163
Surplus for the year	-	5,440,692	5,440,692
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5,440,692	5,440,692
Balance at 01 January 2019	5,802,480	28,824,375	34,626,855
Surplus for the year	-	7,091,185	7,091,185
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	7,091,185	7,091,185
Balance at 31 December 2019	5,802,480	35,915,560	41,718,040

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Statement of Cash Flows

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash receipts from customers		15,801,728	14,666,442
Cash paid to suppliers and employees		(8,421,837)	(9,004,558)
Cash generated from operations	5	7,379,891	5,661,884
Interest income	6	769	10,645
Net cash from operating activities		7,380,660	5,672,529
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(6,919,328)	(7,321,025)
Sale of property, plant and equipment	2	78,748	-
Net cash from investing activities		(6,840,580)	(7,321,025)
Total cash movement for the year		540,080	(1,648,496)
Cash at the beginning of the year		479,614	2,128,109
Total cash at end of the year	4	1,019,694	479,613

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Accounting Policies

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. 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
IT equipment	5 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.

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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.

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Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

	2019 R	2018 R
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2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	740,000	-	740,000	740,000	-	740,000
Buildings	38,996,870	-	38,996,870	32,741,132	-	32,741,132
Furniture and fixtures	872,245	(786,833)	85,412	829,701	(754,479)	75,222
Motor vehicles	1,612,849	(980,901)	631,948	1,268,119	(941,106)	327,013
IT equipment	34,877	(33,727)	1,150	34,877	(11,051)	23,826
Container	120,630	(59,654)	60,976	120,630	(47,591)	73,039
Other fixed assets	164,793	(147,275)	17,518	153,007	(107,556)	45,451
Bakery equipment	1,502,995	(1,502,993)	2	1,502,995	(1,502,993)	2
Total	44,045,259	(3,511,383)	40,533,876	37,390,461	(3,364,776)	34,025,685

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	740,000	-	-	-	740,000
Buildings	32,741,132	6,255,738	-	-	38,996,870
Furniture and fixtures	75,222	49,804	-	(39,614)	85,412
Motor vehicles	327,013	602,000	(109,480)	(187,585)	631,948
IT equipment	23,826	-	-	(22,676)	1,150
Container	73,039	-	-	(12,063)	60,976
Other fixed assets	45,451	11,786	-	(39,719)	17,518
Bakery equipment	2	-	-	-	2
	34,025,685	6,919,328	(109,480)	(301,657)	40,533,876

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
	26,932,039	7,321,025	(227,379)	34,025,685

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Notes to the Financial Statements

	2019 R	2018 R
2. Property, plant and equipment (continued)		
Details of properties		
Erf 561, Pellsrus (Solomon Mahlangu Road)		
- 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 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
	3,142,727	3,142,727
Foster Home		
20 Garnaal Street, Pellsrus (Erf 549)		
- Purchase price	395,000	395,000
- Improvements	80,000	80,000
	475,000	475,000
Erf 545, Kruisfontein		
- Purchase price	740,000	740,000
Other		
Worship Centre	2,981,857	2,981,857
Noah's Ark	895,548	895,548
Playground - Pellsrus	32,653	32,653
Wooden classrooms	216,971	216,971
Rainbow School	2,840,025	2,620,360
Rainbow Hall	3,606,657	3,606,657
New Activity Centre	164,902	164,902
Kings College - New school building	21,206,411	15,269,865
Shalom Centre	1,216,423	1,116,896
	33,161,447	26,905,709
3. Trade and other receivables		
Trade receivables	164,470	121,556

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Notes to the Financial Statements

	2019 R	2018 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	8,470	20,304
Bank balances	1,011,224	459,310
	1,019,694	479,614
5. Cash generated from operations		
Surplus before taxation	7,091,185	5,440,692
Adjustments for:		
Depreciation	301,657	227,379
Deficit on sale of assets	30,732	-
Interest received	(769)	(10,645)
Changes in working capital:		
Trade and other receivables	(42,914)	4,458
	7,379,891	5,661,884
6. Investment revenue		
Interest revenue		
Bank	769	10,645