

**The Promiseland
Trust**

Annual Financial Statements for
the year ended 29 February 2016

The Promiseland Trust

(Registration number T167/09)

Annual Financial Statements for the year ended 29 February 2016

General Information

Trust registration number	T167/09
Country of incorporation and domicile	Namibia
Type of trust	to utilize the trust funds, not for gain, but to address the social needs of the local community of Kuisebmond and Tataleni suburbs in Walvis Bay
Trustees	Tobias Nel Jeremia Brynard Kotze Magda Nel Pieter Greeff Trudi Jane van Rooyen Ronnie John Einbeck Josias Andreas van Zyl
Registered office	149 Sam Nujoma Avenue Walvis Bay Namibia
Accounting Officer	WBM Chartered Accountants and Auditors (Namibia) Registered Auditor

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

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Report of the Independent Auditors

To the trustees of

The Promiseland Trust

We have audited the accompanying annual financial statements of The Promiseland Trust, which comprise the trustees' report, Statement of Financial position as at 29 February 2016, Statement of Comprehensive Income, the Statement of Changes in Equity and Statements of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 16.

Trustees' responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with Namibian Generally Accepted Accounting practice NAC 001: Financial Reporting for Small and Medium Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the annual financial statements.

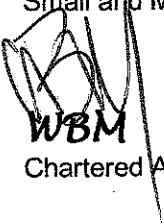
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The trust, in common with many others of similar size and organisation, derives a substantial proportion of its income from voluntary donations and fund raising activities which can not be fully controlled until they are entered in the accounting records, and are not therefore susceptible to independent audit verification.

Qualified Opinion

Except for any adjustments that might have been found to be necessary had it been possible for us to carry out normal audit procedures on donations and fund raising activities, in our opinion, these annual financial statements fairly present, in all material respects the financial position of the company at 29 February 2016, and of its financial performance and its cash flows for the year then ended in accordance with Namibian Generally Accepted Accounting Practice – NAC 001: Financial Reporting for Small and Medium Sized Entities.



WBM

Chartered Accountants and Auditors (Namibia)

Per: S M Mans
Partner

Walvis Bay ... Namibia
02 September 2016

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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 Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities . The external accounting officer is engaged to express an independent opinion on the annual financial statements.

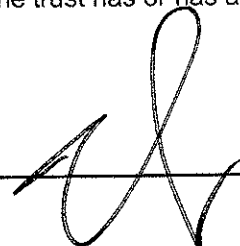
The annual financial statements are prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 28 February 2017 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.


Trustee


Trustee

The Promiseland Trust

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Annual Financial Statements for the year ended 29 February 2016

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Promiseland Trust and its associates for the year ended 29 February 2016.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these annual financial statements.

2. Trustees

The trustees in office at the date of this report are as follows:

Trustees

Tobias Nel
Jeremia Brynard Kotze
Magda Nel
Pieter Greeff
Trudi Jane van Rooyen
Ronnie John Einbeck
Josias Andreas van Zyl

3. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

5. Auditors

WBM continued in office as auditors for the trust for 2016.

They will continue in office for the 2017 financial year.

The Promiseland Trust

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Annual Financial Statements for the year ended 29 February 2016

Statement of Financial Position as at 29 February 2016

	Note(s)	2016 N\$	2015 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 502 597	724 768
Current Assets			
Trade and other receivables	3	900	2 858
Cash and cash equivalents	4	188 390	67 584
		189 290	70 442
Total Assets		1 691 887	795 210
Equity and Liabilities			
Equity			
Trust capital		100	100
Accumulated surplus		1 547 574	763 000
		1 547 674	763 100
Liabilities			
Current Liabilities			
Trade and other payables	5	144 213	32 110
Total Equity and Liabilities		1 691 887	795 210

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2016 N\$	2015 N\$
Revenue		1 652 017	740 101
Cost of sales		(162 004)	(155 417)
Gross surplus		1 490 013	584 684
Other income		2 503	3 277
Operating expenses		(707 942)	(565 333)
Operating surplus	6	784 574	22 628
Finance costs		-	(65 311)
Surplus (deficit) for the year		784 574	(42 683)

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Statement of Changes in Equity

	Trust capital	Accumulated surplus	Total equity
	N\$	N\$	N\$
Balance at 01 March 2014	100	805 683	805 783
Deficit for the year	-	(42 683)	(42 683)
Balance at 01 March 2015	100	763 000	763 100
Surplus for the year	-	784 574	784 574
Balance at 29 February 2016	100	1 547 574	1 547 674

Note(s)

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Statement of Cash Flows

	Note(s)	2016 N\$	2015 N\$
Cash flows from operating activities			
Cash generated from operations	7	934 990	90 339
Finance costs		-	(65 311)
Net cash from operating activities		934 990	25 028
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(814 184)	(129 503)
Sale of property, plant and equipment	2	-	669 000
Net cash from investing activities		(814 184)	539 497
Cash flows from financing activities			
Repayment of other financial liabilities		-	(601 773)
Net cash from financing activities		-	(601 773)
Total cash movement for the year		120 806	(37 248)
Cash at the beginning of the year		67 583	104 831
Total cash at end of the year	4	188 389	67 583

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Annual Financial Statements for the year ended 29 February 2016

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC001: Financial Reporting for Small and Medium Sized Entities. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

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.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs 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, which is as follows:

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and Buildings	Straight line	Infinite
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed at each higher (lower) 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.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

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Accounting Policies

1.3 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.4 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.

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Annual Financial Statements for the year ended 29 February 2016

Notes to the Annual Financial Statements

	2016 N\$	2015 N\$
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2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	1 381 462	-	1 381 462	639 984	-	639 984
Furniture and fixtures	97 892	(31 330)	66 562	25 186	(20 283)	4 903
Motor vehicles	151 534	(96 961)	54 573	151 534	(71 653)	79 881
Total	1 630 888	(128 291)	1 502 597	816 704	(91 936)	724 768

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Land and buildings	639 984	741 478	-	1 381 462
Furniture and fixtures	4 903	72 706	(11 047)	66 562
Motor vehicles	79 881	-	(25 308)	54 573
	724 768	814 184	(36 355)	1 502 597

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land and buildings	1 215 206	129 503	(704 725)	-	639 984
Furniture and fixtures	9 943	-	-	(5 040)	4 903
Motor vehicles	105 137	-	-	(25 256)	79 881
	1 330 286	129 503	(704 725)	(30 296)	724 768

Details of properties

Feeding Project

The property is a certain Erf number 6179 (a portion of Erf 3293), Kuisebmond. Situated in the Municipality of Walvis Bay, Registration Division "F", Erongo Region. Measuring 299 (Two Nine Nine) square metres.

- Purchase price

510 482	510 482
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Pre School

The property is a certain Erf number 6178 (a portion of Erf 3293), Kuisebmond. Situated in the Municipality of Walvis Bay, Registration Division "F", Erongo Region, Measuring 299 (Two Nine Nine) square metres.

- Purchase price

870 980	129 503
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3. Trade and other receivables

Prepayments	900	2 858
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Notes to the Annual Financial Statements

	2016 N\$	2015 N\$
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	188 390	67 584
5. Trade and other payables		
Trade payables	5	3
Rossing donation control account	119 998	-
Accrued expense	11 804	20 253
Other payables	12 406	11 854
	144 213	32 110
6. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	-	1 500
Deficit on sale of property, plant and equipment	-	(35 725)
Depreciation on property, plant and equipment	36 355	30 296
Employee costs	343 304	174 407
7. Cash generated from operations		
Surplus (deficit) before taxation	784 574	(42 683)
Adjustments for:		
Depreciation and amortisation	36 355	30 296
Deficit on sale of assets	-	35 725
Finance costs	-	65 311
Changes in working capital:		
Trade and other receivables	1 958	567
Trade and other payables	112 103	1 123
	934 990	90 339

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Notes to the Annual Financial Statements

	2016 N\$	2015 N\$
8. Operating results per project		
Feeding Project		
Income		
Donation received	1 313 237	422 228
Interest received	1 605	2 117
Less: Expenses Incurred		
Accounting fees	(3 795)	(3 450)
Advertising and promotions	(54 350)	(1 462)
Bank charges	(5 792)	(4 021)
Consulting fees	(10 863)	(65 850)
Depreciation	(28 573)	(30 256)
Food and supplies	(89 721)	(90 600)
General expenses	-	(885)
Insurance	(5 352)	(6 100)
Motor vehicle expenses	(27 277)	(28 524)
Medical expenses	(1 101)	(2 930)
Repairs and maintenance	(3 122)	(9 631)
Red Cross volunteers	(109 858)	(105 446)
Salaries and wages	(226 723)	(106 684)
Security	(1 920)	(2 080)
Stationery	(7 212)	(7 448)
Telephone and fax	(13 642)	(4 446)
Water and electricity	(37 246)	(25 009)
	688 295	(70 477)
Foster Care Project		
Income		
Donations received	221 868	300 124
Interest received	897	1 150
Less: Expenses Incurred		
Bank charges	(12)	(2 575)
Commsion paid	-	(19 000)
Food and supplies	(53 496)	(50 023)
Finance changes	-	(65 311)
Loss on sale of asset	-	(35 725)
Medical expenses	-	(2 655)
Motor vehicle expenses	(6 994)	(2 164)
Rent paid	-	(1 500)
Repairs and maintenace	(1 594)	(7 303)
Security expenses	(320)	(1 920)
Salaries and wages	(48 172)	(45 878)
School fees	(16 475)	-
Study policy	(3 900)	-
Water and electricity	(17 458)	(18 767)
	74 344	48 453

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	2016 N\$	2015 N\$
8. Operating results per project (continued)		
Pre-school project		
Income		
Donations received	116 913	17 749
Interest received	1	10
Less: Expenses incurred		
Bank charges	-	(1)
Depreciation	(7 782)	-
Food and supplies	(18 787)	(14 794)
Medical expenses	-	(1 738)
Salaries and wages	(68 408)	(21 845)
	21 937	(20 619)
Total surplus/(deficit) realised		
Feeding Project	688 295	(70 477)
Foster Project	74 344	48 453
Pre-School Project	21 937	(20 619)
	784 576	(42 643)