

**The Promiseland Trust**

Annual Financial Statements for  
the year ended 28 February 2018

# The Promiseland Trust

(Registration number: T167/09)

Annual Financial Statements for the year ended 28 February 2018

## General Information

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<b>Trust registration number</b>	T167/09
<b>Country of incorporation and domicile</b>	Namibia
<b>Type of trust</b>	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
<b>Trustees</b>	Tobias Nel Jeremia Brynard Kotze Magda Nel Pieter Greeff Trudi Jane van Rooyen Ronnie John Einbeck Josias Andreas van Zyl Audrey van Antwerpen
<b>Registered office</b>	149 Sam Nujoma Avenue Walvis Bay Namibia
<b>Auditors</b>	WBM Chartered Accountants and Auditors (Namibia)

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

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## **Independent Auditor's Report**

### **To The Promiseland Trust**

#### **Opinion**

We have audited the annual financial statements of The Promiseland Trust set out on pages 7 to 16, which comprise the statement of financial position as at 28 February 2018 and, the statement of comprehensive income, statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In common with similar organisations, it is not feasible for the Trustees to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of The Promiseland Trust at 28 February 2018 and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Practice in similar organisations.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the organization in accordance with the International Ethics Standards Trustees for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Trustees for the Annual Financial Statements**

The Trustees is responsible for the preparation and fair presentation of the annual financial statements in accordance with Generally Accepted Accounting Practice, and for such internal control as the Trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Trustees is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Annual Financial Statement**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



WBM

Registered Accountants and Auditors  
Chartered Accountants (Namibia)

Per: S M Mans  
Partner

**Walvis Bay ... Namibia**  
14 June 2018

# The Promiseland Trust

(Registration number: T167/09)

Annual Financial Statements for the year ended 28 February 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 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 auditors are 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 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.

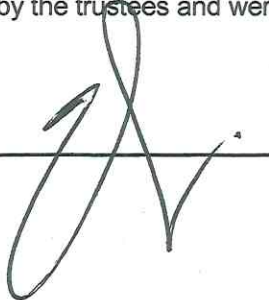
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2019 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.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the trustees and were signed on its behalf by:

Trustee



Trustee



# **The Promiseland Trust**

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Annual Financial Statements for the year ended 28 February 2018

## **Trustees' Report**

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The trustees have pleasure in submitting their report on the annual financial statements of The Promiseland Trust and its associates for the year ended 28 February 2018.

### **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

Audrey van Antwerpen

### **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 2018.

# The Promiseland Trust

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Annual Financial Statements for the year ended 28 February 2018

## Statement of Financial Position as at 28 February 2018

	Note(s)	2018 N\$	2017 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 472 100	1 464 292
<b>Current Assets</b>			
Trade and other receivables	3	2 386	13 986
Cash and cash equivalents	4	133 012	135 011
		<b>135 398</b>	<b>148 997</b>
<b>Total Assets</b>		<b>1 607 498</b>	<b>1 613 289</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Trust capital		100	100
Accumulated surplus		1 584 256	1 584 450
		<b>1 584 356</b>	<b>1 584 550</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	23 142	28 739
<b>Total Equity and Liabilities</b>		<b>1 607 498</b>	<b>1 613 289</b>



# The Promiseland Trust

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## Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2018 N\$	2017 N\$
Revenue		1 147 539	1 079 043
Cost of sales		(183 087)	(191 212)
<b>Gross surplus</b>		<b>964 452</b>	<b>887 831</b>
Other income		10 517	9 585
Operating expenses		(975 163)	(860 543)
<b>Operating (deficit) surplus</b>	6	<b>(194)</b>	<b>36 873</b>
<b>(Deficit) surplus for the year</b>		<b>(194)</b>	<b>36 873</b>

# The Promiseland Trust

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## Statement of Changes in Equity

	Trust capital	Total attributable to the beneficiary	Total equity
	N\$	N\$	N\$
Balance at 01 March 2016	100	1 547 577	1 547 677
Surplus for the year	-	36 873	36 873
Balance at 01 March 2017	100	1 584 450	1 584 550
Deficit for the year	-	(194)	(194)
Balance at 28 February 2018	100	1 584 256	1 584 356

Note(s)

# The Promiseland Trust

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## Statement of Cash Flows

	Note(s)	2018 N\$	2017 N\$
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	7	29 917	(49 484)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(31 916)	(3 895)
<b>Total cash movement for the year</b>		<b>(1 999)</b>	<b>(53 379)</b>
Cash at the beginning of the year		135 011	188 390
<b>Total cash at end of the year</b>	4	<b>133 012</b>	<b>135 011</b>

# The Promiseland Trust

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Annual Financial Statements for the year ended 28 February 2018

## Accounting Policies

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### 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 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, 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 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.

Property, plant and equipment is initially measured at cost.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

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.

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

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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
IT equipment	Straight line	5 years

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When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

# The Promiseland Trust

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## Accounting Policies

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### 1.2 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.

#### 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.

### 1.3 Revenue

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

Revenue comprise of donations and income from fund raising activities.

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## Notes to the Annual Financial Statements

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land and buildings	1 381 462	-	1 381 462	1 381 462	-	1 381 462
Furniture and fixtures	124 923	(67 966)	56 957	101 787	(48 222)	53 565
Motor vehicles	151 534	(126 487)	25 047	151 534	(122 269)	29 265
IT equipment	8 780	(146)	8 634	-	-	-
<b>Total</b>	<b>1 666 699</b>	<b>(194 599)</b>	<b>1 472 100</b>	<b>1 634 783</b>	<b>(170 491)</b>	<b>1 464 292</b>

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

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	1 381 462	-	-	1 381 462
Furniture and fixtures	53 565	23 136	(19 744)	56 957
Motor vehicles	29 265	-	(4 218)	25 047
IT equipment	-	8 780	(146)	8 634
	<b>1 464 292</b>	<b>31 916</b>	<b>(24 108)</b>	<b>1 472 100</b>

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

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	1 381 462	-	-	1 381 462
Furniture and fixtures	66 562	3 895	(16 892)	53 565
Motor vehicles	54 573	-	(25 308)	29 265
	<b>1 502 597</b>	<b>3 895</b>	<b>(42 200)</b>	<b>1 464 292</b>

### Details of properties

#### Feeding Project

The investment property consists of 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

#### Pre School

The investment property consists of 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      870 980

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## Notes to the Annual Financial Statements

	2018 N\$	2017 N\$
<b>3. Trade and other receivables</b>		
Prepayments	2 386	2 386
Donations receivable	-	6 600
Training Control Account	-	5 000
	<u>2 386</u>	<u>13 986</u>
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	133 012	135 011
<b>5. Trade and other payables</b>		
Rossing donation control account	-	(2)
Salary accruals	-	1 135
Accrued expense	12 839	17 485
Other payables	10 303	10 121
	<u>23 142</u>	<u>28 739</u>
<b>6. Operating (deficit) surplus</b>		
Operating (deficit) surplus for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	24 108	42 200
Employee costs	557 770	451 046
<b>7. Cash generated from (used in) operations</b>		
(Deficit) surplus before taxation	(194)	36 873
<b>Adjustments for:</b>		
Depreciation and amortisation	24 108	42 200
<b>Changes in working capital:</b>		
Trade and other receivables	11 600	(13 086)
Trade and other payables	(5 597)	(115 471)
	<u>29 917</u>	<u>(49 484)</u>

# The Promiseland Trust

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## Notes to the Annual Financial Statements

	2018 N\$	2017 N\$
<b>8. Operating results per project</b>		
<b>Feeding Project</b>		
<b>Income</b>		
Donation received	918 279	684 545
Interest received	9 626	7 348
<b>Less: Expenses Incurred</b>		
Accounting fees	(7 475)	(4 715)
Advertising and promotions	(4 188)	(27 838)
Bank charges	(5 794)	(4 950)
Consulting fees	(1 200)	(863)
Depreciation	(5 384)	(26 943)
Food and supplies	(98 801)	(107 627)
Insurance	(5 920)	(5 316)
Motor vehicle expenses	(48 181)	(31 225)
Medical expenses	(2 707)	(1 254)
Repairs and maintenance	(37 903)	(6 495)
Red Cross volunteers	(118 597)	(110 517)
Salaries and wages	(381 012)	(287 086)
Security	(2 129)	(2 186)
Stationery	(7 574)	(55 311)
Telephone and fax	(20 488)	(18 756)
Water and electricity	(50 761)	(34 263)
	<b>129 791</b>	<b>(33 452)</b>
<b>Foster Care Project</b>		
<b>Income</b>		
Donations received	170 781	279 728
Interest received	887	2 234
<b>Less: Expenses Incurred</b>		
Bank charges	(8)	(6)
Food and supplies	(53 676)	(58 377)
Motor vehicle expenses	(7 165)	(7 200)
Salaries and wages	(54 874)	(51 303)
School fees	(31 500)	(31 200)
Study policy	(7 200)	(7 200)
Water and electricity	(17 500)	(18 002)
	<b>(255)</b>	<b>108 674</b>
<b>Pre-school project</b>		
<b>Income</b>		
Donations received	58 479	114 770
Interest received	3	3
<b>Less: Expenses incurred</b>		
Depreciation	(18 731)	(15 259)
Food and supplies	(30 610)	(25 209)
Medical expenses	(329)	-
Repairs and maintenance	(14 051)	-
Salaries and wages	(121 883)	(112 657)
Training	(2 608)	-
	<b>(129 730)</b>	<b>(38 352)</b>



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## Notes to the Annual Financial Statements

	2018 N\$	2017 N\$
<b>8. Operating results per project (continued)</b>		
<b>Total (deficit)/surplus realised</b>		
Feeding Project	129 791	(33 452)
Foster Project	(255)	108 674
Pre-School Project	(129 730)	(38 352)
	<u>(194)</u>	<u>36 870</u>