

The Promiseland Trust
Annual Financial Statements for
the year ended 28 February 2021

The Promiseland Trust

(Registration number: T167/09)

Annual Financial Statements for the year ended 28 February 2021

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	Audrey van Antwerpen Jeremia Brynard Kotze Josias Andreas van Zyl Tobias Nel Trudi Jane van Rooyen Yvette Greeff
Registered office	149 Sam Nujoma Avenue Walvis Bay Namibia
Auditors	WBM Chartered Accountants Registered Accountants and Auditors Chartered Accountants (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 17, which comprise the statement of financial position as at 28 February 2021 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 2021 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 are 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
21 July 2021

The Promiseland Trust

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Annual Financial Statements for the year ended 28 February 2021

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 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.

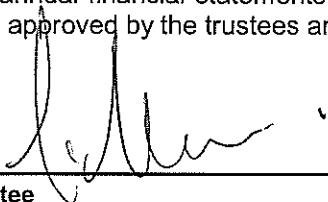
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees sets standards for internal 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 2022 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 pages 3 to 4.

The annual financial statements set out on pages 6 to 18, 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

(Registration number: T167/09)

Annual Financial Statements for the year ended 28 February 2021

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 28 February 2021.

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

Audrey van Antwerpen

Jeremia Brynard Kotze

Josias Andreas van Zyl

Tobias Nel

Trudi Jane van Rooyen

Yvette Greeff

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 and Subsequent events

The Covid-19 pandemic has a huge impact on all.

The trust received a contribution of N\$ 400 000 from ELMA specifically to assist with Covid-19. They also have a contract in place until 2023.

Merlus Fishing & Seaworks have regularly donated food parcels to assist with the feeding project.

The trustees still anticipate contributions from Seaworks (Promise Land salary for Project Coordinator).

The trust also has an agreement with Allan Gray until 2023. The total of the donations agreed to in the agreement is N\$ 1 470 000.

It is for sure difficult to predict our way forward, but in line with our commitments from our donators, we are positive that that we will be able to continue.

5. Auditors

WBM continued in office as auditors for the trust for 2021.

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Annual Financial Statements for the year ended 28 February 2021

Statement of Financial Position as at 28 February 2021

	Note(s)	2021 N\$	2020 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 518 486	1 567 485
Current Assets			
Trade and other receivables	3	226 685	9 602
Cash and cash equivalents	4	663 768	201 258
		890 453	210 860
Total Assets		2 408 939	1 778 345
Equity and Liabilities			
Equity			
Trust capital	5	100	100
Accumulated surplus		2 249 880	1 746 272
		2 249 980	1 746 372
Liabilities			
Current Liabilities			
Trade and other payables	6	158 959	31 973
Total Equity and Liabilities		2 408 939	1 778 345

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2021 N\$	2020 N\$
Revenue		2 401 680	2 987 439
Cost of revenue generated		(715 275)	(1 727 677)
Gross surplus		1 686 405	1 259 762
Other income		17 104	11 199
Operating expenses		(1 199 901)	(1 182 913)
Operating surplus	7	503 608	88 048
Surplus for the year		503 608	88 048

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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 2019	100	1 658 224	1 658 324
Surplus for the year	-	88 048	88 048
Balance at 01 March 2020	100	1 746 272	1 746 372
Surplus for the year	-	503 608	503 608
Balance at 28 February 2021	100	2 249 880	2 249 980
Note(s)	5		

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Annual Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

	Note(s)	2021 N\$	2020 N\$
Cash flows from operating activities			
Cash generated from operations	9	<u>471 961</u>	<u>135 867</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	<u>(9 451)</u>	<u>-</u>
Total cash movement for the year		462 510	135 867
Cash at the beginning of the year		<u>201 258</u>	<u>65 389</u>
Total cash at end of the year	4	<u>663 768</u>	<u>201 256</u>

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Annual Financial Statements for the year ended 28 February 2021

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 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:

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

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.

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Accounting Policies

1.2 Tax

Current tax assets and liabilities

No provisions for taxation is provided for as the trust does not provide any taxable services.

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.

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

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

Revenue comprise of donations received and income from fund raising activities.

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Notes to the Annual Financial Statements

	2021			2020		
	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	338 112	(237 061)	101 051	338 112	(182 258)	155 854
Motor vehicles	151 534	(126 487)	25 047	151 534	(126 487)	25 047
IT equipment	18 230	(7 304)	10 926	8 780	(3 658)	5 122
Total	1 889 338	(370 852)	1 518 486	1 879 888	(312 403)	1 567 485

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Land and buildings	1 381 462	-	-	1 381 462
Furniture and fixtures	155 854	-	(54 803)	101 051
Motor vehicles	25 047	-	-	25 047
IT equipment	5 122	9 451	(3 647)	10 926
	1 567 485	9 451	(58 450)	1 518 486

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Land and buildings	1 381 462	-	1 381 462
Furniture and fixtures	218 439	(62 585)	155 854
Motor vehicles	25 047	-	25 047
IT equipment	6 878	(1 756)	5 122
	1 631 826	(64 341)	1 567 485

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
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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

3. Trade and other receivables

Prepayments	220 000	-
Deposits	2 386	9 602
Sundry debtors	4 299	-
	<u>226 685</u>	<u>9 602</u>

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	894	3 000
Bank balances	662 874	198 258
	<u>663 768</u>	<u>201 258</u>

5. Trust capital

Capital account / Trust capital
Balance at beginning of year

	<u>100</u>	<u>100</u>
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6. Trade and other payables

Trade payables	58 959	6
Accrued expenses	-	20 967
Income received in advance	100 000	11 000
	<u>158 959</u>	<u>31 973</u>

7. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	58 450	64 341
Employee costs	734 067	629 001

8. Taxation

No provision has been made for 2021 tax as the trust has been declared as an Welfare Organisation in terms of Section 17(1)(S) of the Income Tax Act, 1981 and therefore is exempt from taxation.

9. Cash generated from operations

Surplus before taxation	503 608	88 048
Adjustments for:		
Depreciation and amortisation	58 450	64 341
Changes in working capital:		
Trade and other receivables	(217 083)	(7 216)
Trade and other payables	126 986	(9 306)
	<u>471 961</u>	<u>135 867</u>

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Notes to the Annual Financial Statements

10. Related parties

Relationships
Trustees

Audrey van Antwerpen
Jeremia Brynard Kotze
Jessica Mostert (resigned 17/08/2020)
Josias Andreas van Zyl
Luther Mostert (resigned 17/08/2020)
Tobias Nel
Trudi Jane van Rooyen
Yvette Greeff

Related parties through trustees

Walvis Bay Ship Chandlers (Pty) Ltd (ceased to be related party through resignation of trustee L Mostert at 17/08/2020)

Related party balances and transactions with entities over which the trust has control, joint control or significant influence

Related party transactions

Purchases from (sales to) related parties

Walvis Bay Ship Chandlers (Pty) Ltd (ceased to be related party through resignation of trustee L Mostert at 17/08/2020)	18 594	44 918
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Donations to (received from) related parties

Walvis Bay Ship Chandlers (Pty) Ltd (ceased to be related party through resignation of trustee L Mostert at 17/08/2020)	(18 000)	(54 000)
J B Kotze	(57 350)	(64 000)
Y Greeff	(51 000)	(20 000)
	<hr/>	<hr/>

The Promiseland Trust

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Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	2021 N\$	2020 N\$
11. Operating results per project		
Feeding Project		
Income		
Donation received	1 451 530	2 642 439
Interest received	15 403	8 628
Less: Expenses Incurred		
Accounting fees	(10 319)	(8 050)
Bank charges	(6 779)	(7 475)
Depreciation	(47 504)	(45 611)
Food and supplies	(629 909)	(1 636 643)
General expenses	(588)	(900)
Insurance	(13 663)	(11 605)
Medical expenses	(5 754)	-
Motor vehicle expenses	(26 476)	(22 969)
Red Cross volunteers	(24 535)	(123 903)
Repairs and maintenance	(52 957)	(72 390)
Salaries and wages	(489 733)	(400 843)
Security	(807)	(10 651)
Stationery	(24 452)	(17 054)
Telephone and fax	(19 685)	(22 507)
Trust amendment fees	-	(4 025)
Water and electricity	2 740	(1 365)
	116 512	265 076
Foster Care Project		
Income		
Donations received	250 150	234 611
Interest received	419	1 181
Less: Expenses Incurred		
Bank charges	(16)	(38)
Food and supplies	(63 551)	(63 369)
General expenses	(1 487)	(5 523)
Medical expenses	(1 600)	-
Motor vehicle expenses	(6 850)	(6 686)
Salaries and wages	(62 295)	(61 096)
School fees	(112 006)	(94 660)
Study policy	(3 000)	(7 200)
Telephone and Fax	(5 940)	-
Water and electricity	(26 857)	(24 000)
	(33 033)	(26 780)

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Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	2021 N\$	2020 N\$
11. Operating results per project (continued)		
Pre-school project		
Income		
Donations received	700 000	110 386
Interest received	1 281	1 393
Less: Expenses incurred		
Bank charges	(84)	(40)
Depreciation	(10 946)	(18 732)
Electricity & Water	(34 185)	(43 341)
Food and supplies	(21 815)	(27 666)
General expenses	(2 201)	-
Repairs and maintenance	(3 077)	(2 955)
Salaries and wages	(182 038)	(167 056)
Security	(3 608)	(702)
Stationery	(23 198)	(1 535)
	420 129	(150 248)
Total (deficit)/surplus realised		
Feeding Project	116 512	265 076
Foster Project	(33 033)	(26 780)
Pre-School Project	420 129	(150 248)
	503 608	88 048

12. Going concern and subsequent events

The Covid-19 pandemic has a huge impact on all.

The trust received a contribution of N\$ 400 000 from ELMA specifically to assist with Covid-19. They also have a contract in place until 2023.

Merlus Fishing & Seaworks have regularly donated food parcels to assist with the feeding project.

The trustees still anticipate contributions from Seaworks (Promise Land salary for Project Coordinator).

The trust also has an agreement with Allan Gray until 2023. The total of the donations agreed to in the agreement is N\$ 1 470 000.

It is for sure difficult to predict our way forward, but in line with our commitments from our donators, we are positive that that we will be able to continue.

The Promiseland Trust

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Annual Financial Statements for the year ended 28 February 2021

Detailed Income Statement

	Note(s)	2021 N\$	2020 N\$
Revenue			
Donations received		2 401 680	2 987 439
Cost of sales			
Purchases		(715 275)	(1 727 677)
Gross surplus		1 686 405	1 259 762
Other income			
Interest received		17 104	11 199
Operating expenses			
Accounting fees		10 319	8 050
Bank charges		6 880	7 554
Cleaning		2 469	900
Clothing		-	3 360
Computer expenses		16 088	5 817
Depreciation, amortisation and impairments		58 450	64 341
Employee costs		734 067	629 001
Insurance		13 663	11 600
Medical expenses		7 354	-
Motor vehicle expenses		33 646	29 655
Municipal expenses		58 302	68 707
Printing and stationery		33 049	14 933
Repairs and maintenance		56 033	75 345
School fees		112 006	94 660
Security		4 415	11 353
Study policy		3 000	7 200
Telephone and fax		25 625	22 507
Transport and freight		24 535	123 905
Trust amendment fees		-	4 025
		1 199 901	1 182 913
Surplus for the year		503 608	88 048