

**CHRISTIAN DEVELOPMENT TRUST
(Masters Reference No. 8475)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

CHRISTIAN DEVELOPMENT TRUST

Annual Financial Statements for the year ended 31 December 2007

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Practical support to religious, charitable and educational institutions
Trustees	A E Wentzel (Vice-chairman) E W Dedekind A M J Pinnock Bishop J Seoka I C Aitken (General alternate)
Registered office	4 Gremlin Road Bryanston Ext 8 Sandton Gauteng 2191
Postal address	P O Box 70458 Bryanston Gauteng 2021
Attorneys	Tonkin Clacey
Bankers	Nedbank Limited
Auditors	B N Jooste & Co
Tax registration number	0157/907/15/5
NPO registration number	019-331

CHRISTIAN DEVELOPMENT TRUST

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B.N. Jooste & Co

*Chartered Accountants (S.A.)
Registered Auditors*

Practice No. 916900 E

Barrie Noel Jooste, C.A. (S.A.)
Jeffrey Clive Pierce, C.A. (S.A.)
Johannes Hendrik Bignaut, C.A. (S.A.)

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Barvic House (North)
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Kensington "B"
Randburg 2194

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Randburg 2125
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Report of the Independent Auditors

To the trustees of Christian Development Trust

We have audited the annual financial statements of Christian Development Trust set out on pages 5 to 12 for the year ended 31 December 2007. These annual financial statements are the responsibility of the trust's trustees. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

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 about whether the annual financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the trust at 31 December 2007 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards

Supplementary information

We draw your attention to the fact that the supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

***B N Jooste & Co
Chartered Accountants (S.A.)
Registered Auditors
Practice No. 916900 E***

***Randburg
31 January 2008***

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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 International Financial Reporting Standards.

The trustees acknowledge that they are ultimately responsible for managing the trust's resources, risks and the ethical behaviour of its staff and management by ensuring that the appropriate infrastructure, controls and systems have been implemented, applied and managed.

The trustees are of the opinion that appropriate measures have been taken to provide reasonable, though not absolute, assurance that the financial records may be relied on for the preparation of the annual financial statements.

The trustees 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 engaged to express an independent opinion on the trust's annual financial statements and their report is presented on page 3.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the trustees on 31 January 2008 and were signed on their behalf by:

Bishop J Seoka

CHRISTIAN DEVELOPMENT TRUST

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TRUSTEES' REPORT

The trustees submit their report for the year ended 31 December 2007.

1. Review of activities

Main business and operations

Initially the trust operated as an ecumenical loan fund providing loans at low rates of interest to Christian Churches and organizations. Subsequently CDT Foundation Inc took over this activity.

In order to comply with the amended tax legislation, it was decided that the trust would hold the equity investments of the group. Subsequently the tax legislation was amended again which allows PBO's to hold shares. In addition the application for the tax exemption of the Foundation was not successful.

The Trustees have resolved to wind up the trust. Subject to the requirements of the current legislation, it is contemplated that the remaining assets of the trust will be transferred to the Foundation.

The trust reflects a net surplus for the year of R 125,281 (2006: deficit R 473,669).

During the year, Ditikeni Investment Company Limited (Ditikeni), through its associated Trust, awarded a distribution equivalent to the original cost of the shares to Ditikeni. In future, the shares in Ditikeni will be carried at R 1. It is believed that Ditikeni through its associated Trust, will award annual distributions to its shareholders.

2. Post balance sheet events

The trustees are not aware of any matter or circumstance of a material nature arising since the end of the financial year.

3. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name	Resigned
A E Wentzel (Vice-chairman)	
E W Dedekind	
W N Nduna	14 May 2007
A M J Pinnock	
Bishop J Seoka	
I C Aitken (General alternate)	

4. Auditors

B N Jooste & Co will continue in office for the next financial period.

5. Secretary

Transfer Administrators (Pty) Ltd
4 Gremlin Road
Bryanston Ext 8
2191

6. Managers of the trust

CDT Foundation Inc
4 Gremlin Road
Branston Ext 8
2191

CHRISTIAN DEVELOPMENT TRUST

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BALANCE SHEET

Figures in Rand	Note(s)	2007	2006
Assets			
Non-Current Assets			
Other financial assets	2	<u>379,282</u>	<u>229,822</u>
Current Assets			
Trade and other receivables	4	27,391	-
Cash and cash equivalents	5	<u>6,239</u>	<u>373</u>
		33,630	373
Total Assets		<u>412,912</u>	<u>230,195</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>353,631</u>	<u>228,350</u>
Liabilities			
Non-Current Liabilities			
Deferred tax	3	<u>57,430</u>	<u>-</u>
Current Liabilities			
Current tax payable		7	-
Trade and other payables	6	<u>1,844</u>	<u>1,845</u>
		1,851	1,845
Total Liabilities		<u>59,281</u>	<u>1,845</u>
Total Equity and Liabilities		<u>412,912</u>	<u>230,195</u>

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INCOME STATEMENT

Figures in Rand	Note(s)	2007	2006
Operating expenses		18	(8,229)
Operating surplus/(deficit)		18	(8,229)
Investment revenue	7	33,240	3,889
Fair value adjustments	8	92,030	(469,329)
Surplus (deficit) before taxation		125,288	(473,669)
Taxation	9	(7)	-
Surplus/(deficit) for the period		125,281	(473,669)

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STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated surplus
Balance at 01 January 2006	702,019
Changes in equity	
Deficit for the year	(473,669)
Total changes	(473,669)
Balance at 01 January 2007	228,350
Changes in equity	
Surplus for the year	125,281
Total changes	125,281
Balance at 31 December 2007	353,631

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CASH FLOW STATEMENT

Figures in Rand	Note(s)	2007	2006
Cash flows from operating activities			
Cash (used in)/generated from operations	10	30,056	6,160
Distributions received		33,240	3,889
Net cash from operating activities		63,296	10,049
Cash flows from investing activities			
Movement of financial assets		(57,430)	(10,957)
Net cash from investing activities		(57,430)	(10,957)
Total cash movement for the period		5,866	(908)
Cash at the beginning of the period		373	1,281
Total cash at end of the period	5	6,239	373

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ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial recognition

The trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Held for trading financial assets

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2007	2006
2. Other financial assets		
At fair value through profit or loss		
Listed shares	294,123	192,022
Held at fair value		
Unlisted shares	85,159	37,800
Held at cost or net asset value		
	<u>379,282</u>	<u>229,822</u>
Loans and receivables		
Afriprocure (Pty) Ltd	37,047	37,047
The loan is secured by mortgage bonds over fixed property		
Subtotal	<u>37,047</u>	<u>37,047</u>
Loans and receivables (impairments)	<u>(37,047)</u>	<u>(37,047)</u>
	<u>-</u>	<u>-</u>
Non-current assets		
At fair value through profit or loss	<u>379,282</u>	<u>229,822</u>
The fair values of the financial assets were determined as follows:		
<ul style="list-style-type: none">The fair values of listed investments are based on the quoted market price.The fair values on investments not listed or quoted are estimated using the cost or net asset value approach.		
Fair values are determined annually at balance sheet date.		
Investments at fair value		
Listed - at fair value		
Johnnic Communications Ltd (274 shares)	4,357	3,082
MTN Group Holdings (2215 shares)	289,766	188,940
Unlisted - at fair value - trustees' valuation		
Ditikeni Investment Company Limited (26913 shares)- Held at net asset value	7,733	9,503
Christian Network Media Ltd (21098 shares)- Held at net asset value	68,036	18,297
Thembeke Social Investment Company Limited (10000 shares)- held at net asset value	9,390	10,000
	<u>379,282</u>	<u>229,822</u>
3. Deferred tax		
Deferred tax asset (liability)		
Fair value adjustment of financial assets	<u>(57,430)</u>	<u>-</u>
Use and sales rate		
The deferred tax rate applied to the fair value adjustments of financial assets is determined by the expected manner of recovery. The expected recovery of the financial assets is through sale at the capital gains tax rate of 20%.		
4. Trade and other receivables		
Trade receivables	<u>27,391</u>	<u>-</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2007	2006
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	6,239	373
6. Trade and other payables		
Trade payables	1,844	1,845
7. Investment revenue		
Dividend revenue		
Listed financial assets - Local	371	3,889
Unlisted financial assets - Local	32,869	-
	33,240	3,889
8. Fair value adjustments		
Other financial assets	92,030	(469,329)
9. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	7	-
10. Cash (used in)/generated from operations		
Surplus/(deficit) before taxation	125,288	(473,669)
Adjustments for:		
Dividends received	(33,240)	(3,889)
Fair value adjustments	(92,030)	469,329
Deferred taxation	57,430	-
Changes in working capital:		
Trade and other receivables	(27,391)	12,543
Trade and other payables	(1)	1,846
	30,056	6,160
11. Related parties		
Relationships		
Associates		CDT Foundation Inc.
Members of key management		A E Wentzel IC Aitken A M Pinnock Bishop J Seoka
Related party balances		
Amounts included in Trade receivables/(Trade payables) regarding related parties		
CDT Foundation Inc.	25,547	(1,846)

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DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2007	2006
Other income			
Dividend revenue	7	33,240	3,889
Fair value adjustments	8	92,030	-
		<u>125,270</u>	<u>3,889</u>
Operating expenses			
Bank charges		51	144
Levies rented properties		(69)	(1,274)
Repairs and maintenance		-	9,359
		<u>(18)</u>	<u>8,229</u>
Operating surplus/(deficit)		125,288	(4,340)
Fair value adjustments	8	-	(469,329)
Surplus (deficit) before taxation		125,288	(473,669)
Taxation	9	(7)	-
Surplus/(deficit) for the period		125,281	(473,669)