IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)

Annual Financial Statements for the year ended 30 April 2017

Published: 7 February 2019

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

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Non - Profit Organisation
MANAGEMENT	F Alkema C Alkema
BUSINESS ADDRESS	Josef Street, Erf 8 Oupad Nekkies Knysna 6571
BANKERS	First National Bank
INDEPENDENT AUDITORS	LUMENROCK Audit Incorporated Landbank Building 55 York Street George 6529
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the of the constitution of the entity

Independent Auditor's Report

To the Management of IMMANUEL MINISTRIES

Opinion

We have audited the financial statements of IMMANUEL MINISTRIES set out on pages 7 to 12, which comprise the statement of financial position as at 30 April 2017, and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of IMMANUEL MINISTRIES for the year ended 30 April 2017 are prepared, in all material respects, in accordance with the basis of accounting as described in note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations and purchases prior to the initial entry of the collections in accounting records. Accordingly it was impractical for us to extend our examinations beyond the receipt actually recorded.

Other Information

The managements are responsible for the other information. The other information comprises , and the supplementary information set out on page 13. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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LUMENROCK AUDIT INCORPORATED | REG NO: 2009/000419/21 | IRBA REG NO: 903581-0000
DIRECTORS: PW ESTERHUIZEN, HONS B COMPT, CA(SA) TEP RA | PROF JS GERICKE, CA(SA) RA MCOM (TAX) | M SCHOEMAN, HONS B COMPT, CA(SA) RA
LAND BANK BUILDING | 55 YORK STREET | GEORGE | 6529 | P.O. BOX 10485 | GEORGE | 6530 | SOUTH AFRICA

In preparing the financial statements, the managements are responsible for assessing the organisation'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 managements either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managements.
- Conclude on the appropriateness of the managements' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the managements 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.

LUMENROCK Audit Incorporated
Chartered Accountant (SA)
Registered Auditor

Marlize Schoeman CA(SA) RA

7 February 2019

Landbank Building
55 York Street
George
6529

Management's Responsibilities and Approval

Management is 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 satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, LUMENROCK Audit Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. Management believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 6 to 11 were approved by the management committee on 7 February 2019 and were signed on its behalf by:

F. Alkema

F Alkema

C Alkema

IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)
Financial Statements for the year ended 30 April 2017

Statement of Financial Position

Figures in R	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,593,613	1,463,601
Current Assets			
Cash and cash equivalents	4	2,553,113	2,155,255
Total Assets		**4,146,726**	**3,618,856**
Reserves and Liabilities			
Reserves			
Retained earnings		4,146,726	3,618,856
Total Reserves and Liabilities		**4,146,726**	**3,618,856**

Statement of Comprehensive Income

Figures in R	Note	2017	2016
Revenue		873,863	817,816
Direct project expenses		(322,784)	(299,006)
Gross surplus		551,079	518,810
Operating expenses		(145,004)	(121,285)
Operating surplus		**406,075**	**397,525**
Investment revenue	5	121,795	61,005
Surplus for the year		**527,870**	**458,530**

Accounting Policies

1. General information

IMMANUEL MINISTRIES is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

ITEM	
Land and buildings	Indefinite
Motor vehicles	5 years; R0 residual value
Furniture and fittings	6 years; R0 residual value
Other assets	5 years; R0 residual value
Computer equipment	3 years; R0 residual value

2.3 Financial Instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Accounting Policies

Financial Instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised.

Financial Instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All other financial instruments are measured at fair value through profit and loss.

2.4 Cash flow statement

As the corporation's cash flow is comprehensively disclosed in the Income Statement, a separate Cash Flow Statement is considered to be of no value and is therefor not presented.

Notes to the Annual Financial Statements

Figures in R	2017	2016

3. Property, plant and equipment

	Cost	Accumulated depreciation	2017 Carrying value	Cost	Accumulated depreciation	2016 Carrying value
Owned assets						
Land and buildings	1,569,064	-	1,569,064	1,420,652	-	1,420,652
Motor vehicles	25,000	18,000	7,000	25,000	13,000	12,000
Furniture and fittings	34,717	24,782	9,935	34,717	18,996	15,721
Other assets	38,070	30,456	7,614	38,070	22,842	15,228
Office equipment	200	200	-	200	200	-
Computer equipment	6,999	6,999	-	6,999	6,999	-
	1,674,050	80,437	1,593,613	1,525,638	62,037	1,463,601

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
Owned assets					
Land and buildings	1,420,652	148,412	-	-	1,569,064
Motor vehicles	12,000	-	-	(5,000)	7,000
Furniture and fittings	15,721	-	-	(5,786)	9,935
Other assets	15,228	-	-	(7,614)	7,614
	1,463,601	148,412	-	(18,400)	1,593,613

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
Owned assets					
Land and buildings	1,420,652		-	-	1,420,652
Motor vehicles	16,000	-	-	(4,000)	12,000
Furniture and fittings	21,507	-	-	(5,786)	15,721
Other assets	22,842	-	-	(7,614)	15,228
	1,483,334	-	-	(19,733)	1,463,601

4. Cash and cash equivalents

	2017	2016
Bank Balance	557,888	528,631
Petty Cash	52,133	102,837
Money Market	1,943,092	1,523,787
	2,553,113	2,155,255

Notes to the Annual Financial Statements

Figures in R	2017	2016

5. Finance income

Interest income		
Money Market	121,795	61,005

6. Taxation

No provision has been made for 2016 tax as the entity has no taxable income. The organisation is taxed in terms of Section 10(1)(e) if the Income Tax Act.

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Detailed Income Statement

Figures in R	2017	2016
Gross Revenue		
Bible Ministry	65,103	37,138
Family	237,142	191,028
Food	55,412	82,150
General	470,062	498,911
Tithling	46,144	8,589
	873,863	817,816
Cost of Sales		
Bible Ministry	21,140	10,422
Family	180,735	129,352
Food	30,875	75,227
General	20,834	9,305
Tithling	69,200	74,700
	322,784	299,006
Gross Profit	**551,079**	**518,810**
Other Income		
Investment income	121,795	61,005
	121,795	61,005
	672,874	**579,815**
Expenditure		
Assets less than R7000	3,689	4,900
Bank charges	5,066	6,742
Cleaning	3,773	1,895
Computer expenses	26,361	26,623
Depreciation - Tangible assets	18,400	19,733
Electricity and water	4,170	9,617
Gas	1,035	6,656
General expenses	-	834
Insurance	27,796	15,287
Printing and stationery	13,350	15,159
Repairs and maintenance	41,364	13,839
	145,004	121,285
Surplus for the year	**527,870**	**458,530**

The supplementary information presented does not form part of the annual financial statements and is unaudited