

IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)

**Annual Financial Statements
for the year ended 29 February 2020**

Audited Financial Statements

in compliance with the Constitution

Prepared: Mrs. M Schoeman

Position: Chartered Accountant (SA)

IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)

Annual Financial Statements for the year ended 29 February 2020

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(Registration Number 065-632 NPO)

Annual Financial Statements for the year ended 29 February 2020

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Non-Profit Organisation - Ministry projects and church
MANAGEMENT	F Alkema C Alkema
BUSINESS ADDRESS	8 Oupad (Erf 8) Joseph Street Hornlee Knysna 6571
BANKERS	First National Bank Limited
INDEPENDENT AUDITOR	LIGHTVISION Audit Incorporated Chartered Accountants (SA) Registered Auditors 113 Merriman Street George 6525
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the Constitution.
DATE PREPARED	21 January 2021

Independent Auditor's Report

To the Management of Immanuel Ministries

Opinion

We have audited the financial statements of Immanuel Ministries set out on pages 5 to 11, which comprise the statement of financial position as at 29 February 2020, 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 present fairly, in all material respects, the financial position of Immanuel Ministries as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 management are responsible for the other information. The other information comprises the supplementary information set out on page 12. The 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, 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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LIGHTVISION AUDIT INC | Reg no: 2009/000419/21 | IRBA reg no: 903581-0000

M Botes, Hons B Acc, CA(SA) RA | Prof JS Gericke, CA(SA) RA Mcom (Tax)

113 Merriman Street | George | 6529 | P.O. Box 10485 | George | 6530 | South Africa

Responsibilities of the Management for the Financial Statements

The management are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management 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 management 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 management.
- Conclude on the appropriateness of the management'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 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 management 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.



LIGHTVISION Audit Incorporated
Chartered Accountants (SA)
Registered Auditors

M Botes, CA(SA) RA

21 January 2021

113 Merriman Street
George
6529

IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)

Annual Financial Statements for the year ended 29 February 2020

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 and present fairly 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.

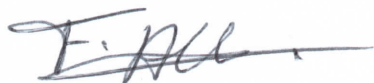
Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee sets standards 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.

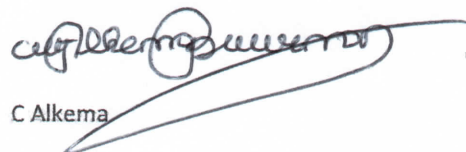
Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control 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 2 to 3.

The annual financial statements as set out on pages 5 to 11 were approved by the management committee on 19/01/2021 and were signed on its behalf by:



F Alkema



C Alkema

IMMANUEL MINISTRIES

(Registration Number 065-632 NPO)

Financial Statements for the year ended 29 February 2020

Statement of Financial Position

Figures in R	Notes	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	3	1,132,166	1,144,063
Current Assets			
Cash and cash equivalents	4	3,285,602	3,404,929
Total Assets		4,417,768	4,548,992
Reserves and Liabilities			
Reserves			
Retained earnings		4,417,768	4,548,992
Total Reserves and Liabilities		4,417,768	4,548,992

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Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

Figures in R	Notes	2020	2019
Revenue	5	458,255	962,872
Cost of sales	6	(606,291)	(479,472)
Gross (deficit) / surplus		(148,036)	483,400
Operating costs		(143,231)	(644,415)
Operating deficit		(291,267)	(161,015)
Finance income	7	160,043	149,068
Deficit for the year		(131,224)	(11,947)

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Financial Statements for the year ended 29 February 2020

Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 March 2018	4,560,939	4,560,939
Deficit for the year	(11,947)	(11,947)
Balance at 28 February 2019	4,548,992	4,548,992
Balance at 1 March 2019	4,548,992	4,548,992
Deficit for the year	(131,224)	(131,224)
Balance at 29 February 2020	4,417,768	4,417,768

IMMANUEL MINISTRIES

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Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

Figures in R	Note	2020	2019
Cash flows (used in) / from operating activities			
Deficit for the year		(131,224)	(11,947)
<i>Adjustments for:</i>			
Depreciation of tangible assets		11,894	17,253
Impairment of tangible assets		-	569,064
Investment income		(160,043)	(149,068)
Net cash flows (used in) / from operations		(279,370)	425,304
Investment income		160,043	149,068
Net cash flows (used in) / from operating activities		(119,327)	574,372
Property, plant and equipment acquired	3	-	(123,916)
Net (decrease) / increase in cash and cash equivalents		(119,327)	450,456
Cash and cash equivalents at beginning of the year		3,404,929	2,954,473
Cash and cash equivalents at end of the year	4	3,285,602	3,404,929

IMMANUEL MINISTRIES

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Financial Statements for the year ended 29 February 2020

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 International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are 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 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:

Land and buildings	Indefinite
Furniture and fittings	6 years; no residual value
Other fixed assets	5 years; no residual value
Office equipment	6 years; no residual value
IT equipment	3 years; no residual value

2.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

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Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

Figures in R	2020	2019
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3. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Land and buildings	1,117,660	-	1,117,660	1,117,660	-	1,117,660
Furniture and fittings	34,717	34,716	1	34,717	34,716	1
Other fixed assets	46,452	40,321	6,131	46,452	39,960	6,492
Office equipment	200	200	-	200	200	-
IT equipment	41,601	33,225	8,376	41,601	21,691	19,910
	1,240,630	108,462	1,132,168	1,240,630	96,567	1,144,063

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	1,117,660	-	-	-	1,117,660
Furniture and fittings	1	-	-	-	1
Other fixed assets	6,491	-	-	(360)	6,131
IT equipment	19,910	-	-	(11,534)	8,376
	1,144,062	-	-	(11,894)	1,132,168

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Notes to the Annual Financial Statements

Figures in R	2020	2019
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Property, plant and equipment continued...

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Land and buildings	1,569,064	117,660	-	(569,064)	1,117,660
Furniture and fittings	4,149	-	-	(4,148)	1
Other fixed assets	1,807	6,256	-	(1,571)	6,492
IT equipment	31,444	-	-	(11,534)	19,910
	<u>1,606,464</u>	<u>123,916</u>	<u>-</u>	<u>(586,317)</u>	<u>1,144,063</u>

During the prior period the entity noticed a significant decline in the value of land and buildings and so carried out a review of their fair values, less costs to sell. The review led to the recognition of an impairment loss of R 569,064. The land and buildings were impaired to be in line with the insured value.

Land and buildings 1

8 Oupad (Erf 8), Joseph Street, Hornlee, Knysna

-Acquired for	1,000,000	1,569,064
-Impairment	-	(569,064)
	<u>1,000,000</u>	<u>1,000,000</u>

Land and buildings 2

Plot 14072B, Sisulu Street, White Location, Bloemfontein

-Acquired for	<u>117,660</u>	<u>117,660</u>
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4. Cash and cash equivalents

Favourable cash balances

Cash on hand	64,953	67,465
Cheque account	851,241	1,127,320
Money Market account	<u>2,369,408</u>	<u>2,210,144</u>
	<u>3,285,602</u>	<u>3,404,929</u>

5. Revenue

An analysis of revenue is as follows:

Bible Ministry	28,011	55,166
Food	-	7,505
Tithes	45,458	55,131
General	215,883	614,305
Families	<u>168,903</u>	<u>230,765</u>
	<u>458,255</u>	<u>962,872</u>

IMMANUEL MINISTRIES

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Notes to the Annual Financial Statements

Figures in R	2020	2019
6. Cost of Sales		
Bible Ministry	42,729	72,798
Families	253,348	253,874
Food	-	35,539
General	191,523	49,592
Tithes	118,691	67,669
	<u>606,291</u>	<u>479,472</u>
7. Finance income		
Interest income		
Interest received	<u>160,043</u>	<u>149,068</u>

IMMANUEL MINISTRIES

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Financial Statements for the year ended 29 February 2020

Detailed Income Statement

Figures in R	2020	2019
Gross Revenue		
Bible Ministry	28,011	55,166
Families	168,903	230,765
Food	-	7,505
General	215,883	614,305
Tithes	45,458	55,131
	<u>458,255</u>	<u>962,872</u>
Cost of Sales		
Bible Ministry	42,729	72,798
Families	253,348	253,874
Food	-	35,539
General	191,523	49,592
Tithes	118,691	67,669
	<u>606,291</u>	<u>479,472</u>
Gross Profit	<u>(148,036)</u>	<u>483,400</u>
Other Income		
Investment income	160,043	149,068
	<u>160,043</u>	<u>149,068</u>
Total income	<u>12,007</u>	<u>632,468</u>
Expenditure		
Accounting fees	2,000	1,800
Bank charges	11,934	4,442
Cleaning	2,573	-
Computer expenses	-	1,840
Depreciation - Tangible assets	11,894	17,253
Electricity and water	7,800	9,000
Impairment - Tangible assets	-	569,064
Insurance	10,011	19,519
Printing and stationery	2,646	7,140
Repairs and maintenance	8,430	12,407
Salaries	-	1,950
Travel - overseas	85,943	-
	<u>143,231</u>	<u>644,415</u>
Deficit for the year	<u>(131,224)</u>	<u>(11,947)</u>