

OUR LIVES IN AFRICA

(commonly known as "OLIA")

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

Prepared by: HC Müller
Signed by: DF Immelman

OUR LIVES IN AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

GENERAL INFORMATION

NATURE OF ENTITY

Voluntary association

NATURE OF BUSINESS

Providing care and education through preschools or crèche's.

MANAGEMENT COMMITTEE

Jungwook Lee
Helen Lee
Zukisani Nzala
Insik Kim

There have been 3 resignations from the management committee during the period under review.

ORGANISATIONAL ADDRESS

79 Sarel Cilliers Street
STRAND
7140

BANKERS

Nedbank
Khayelitsha Mall

ACCOUNTANTS

DFI Accounting
Professional Accountant (SA)
PO Box 3384
SOMERSET WEST
7129

REGISTRATION NUMBER

NPO: 140-272
PBO: 930052233

OUR LIVES IN AFRICA
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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The following supplementary information does not form part of the annual financial statements:

Detailed Income Statement	15 - 16
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INDEPENDENT COMPILER'S REPORT

TO THE MEMBERS OF OUR LIVES IN AFRICA

REPORT ON THE FINANCIAL STATEMENTS

On the basis of information provided by the management committee we have compiled, in accordance with the International Standard on Related Services applicable to compilation engagements, the statement of financial position as at 31 August 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the management committee's report as set out on pages 8 to 14.

The association's management committee is responsible for the preparation and fair presentation of these financial statements.

We have not audited or reviewed these financial statements and accordingly express no assurance thereon.



DF Immelman
Professional Accountant (SA)

SOMERSET WEST
February 2018

MANAGEMENT COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The management committee is required by the constitution of the association, to maintain adequate accounting records and is 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 association as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the basis of accounting set out in Note 1 to the financial statements. The independent compiler is engaged to independently compile the annual financial statements.

The annual financial statements are prepared in accordance with the basis of accounting as set out in Note 1 to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. These financial statements do not comply with all International Financial Reporting Standards, due to the fact that the cost of full compliance exceeds the benefit to be gained by the users of the financial statements.

The management committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the management committee 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's activities is conducted in a manner that is in all reasonable circumstances above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The management committee 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 management committee have reviewed the association's cash flow forecast for the year to 31 August 2018 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

MANAGEMENT COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The external accountant is responsible for independently compiling the association's annual financial statements. The annual financial statements have been examined by the association's external accountant and his report is presented on page 4.

The annual financial statements, set out on pages 8 to 14, which have been prepared on the going concern basis, are to the best of our knowledge complete and correct and were approved by:

Jungwook Lee

Helen Lee

February 2018

MANAGEMENT COMMITTEE'S REPORT

The management committee submit their report for the year ended 31 August 2017.

1. REVIEW OF FINANCIAL RESULTS AND OPERATIONS

The association is engaged in providing care and education to disadvantaged persons.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Full details of the financial position and results of operations of the association are set out in these financial statements.

2. EVENTS AFTER THE REPORTING PERIOD

No matter which is material to the financial affairs of the association has occurred between the date of the Statement of Financial Position and the date of approval of the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of property, plant and equipment of the organisation or in the policy regarding their use.

At 31 August 2017 the organisation's investment in property, plant and equipment amounted to R179 990 (2016: R 226 190), of which R0 (2016: R231 000) was added in the current year through additions.

4. MANAGEMENT COMMITTEE

The management committee of the association during the year and to the date of this report is as follows:

Jungwook Lee

Helen Lee

Insik Kim

Siyamcela Hilton Nxathi

Sung Jin Jun

Mthandazo Vusani

Dale Burrow

Fred Ward

Zukisani Nzala

Resignation accepted April 2017

Resignation accepted April 2017

Resignation accepted April 2017

Appointed September 2017 (post year end)

Appointed September 2017 (post year end)

Resignation accepted January 2018 (post year end)

5. INDEPENDENT COMPILER

DFI Accounting will continue as the independent compiler for the following financial year.

OUR LIVES IN AFRICA
STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2017

	Notes	2017 R	2016 R
NON-CURRENT ASSETS			
Property, plant and equipment	2	179 990	226 190
CURRENT ASSETS			
Cash and cash equivalent	4	1 286	51 355
TOTAL ASSETS		181 276	277 545
CAPITAL AND RESERVES			
Retained surplus		177 276	273 685
NON-CURRENT LIABILITIES			
Loan(s) from members	5	-	3 860
CURRENT LIABILITIES			
Taxation payable	6	4 000	-
Trade and other payables	7	-	-
TOTAL EQUITY AND LIABILITIES		181 276	277 545

OUR LIVES IN AFRICA**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 R	2016 R
REVENUE		197 642	357 578
OTHER INCOME		-	-
OPERATING EXPENSES		(294 050)	(83 893)
OPERATING SURPLUS / (SHORTFALL)	3	(96 408)	273 685
Finance costs		-	-
SURPLUS / (SHORTFALL) BEFORE TAXATION		(96 408)	273 685
Taxation	13	-	-
NET SURPLUS / (SHORTFALL) FOR THE PERIOD		(96 408)	273 685

OUR LIVES IN AFRICA
CASH FLOW STATEMENT YEAR ENDED 31 AUGUST 2017

	2017 R	2016 R
CASH FLOW FROM OPERATING ACTIVITIES	(46 208)	278 495
Net profit/(loss) before taxation	(96 408)	273 685
Adjustments for:		
Wear and tear and impairment of assets	46 200	4 810
Interest received	-	-
Finance costs	-	-
Operating profit before working capital changes	(50 208)	278 495
Working Capital Changes	4 000	-
(Increase)/Decrease in Inventory	-	-
(Increase)/Decrease in Trade and other Receivables	-	-
Increase/(Decrease) in Trade and other Payables	4 000	-
Interest paid	-	-
Interest received	-	-
Taxation paid	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-	(231 000)
Acquisition of property, plant and equipment	-	(231 000)
Deposit paid	-	-
CASH FLOW FROM FINANCING ACTIVITIES	(3 860)	3 860
Advance/(Repayment) of finance lease obligation	-	-
Advance/(Repayment) of loan to member(s)	-	-
Advance/(Repayment) of other loans	(3 860)	3 860
TOTAL CASH MOVEMENT FOR THE YEAR	(50 068)	51 355
CASH AND CASH EQUIVALENT - BEGINNING OF YEAR	51 355	-
TOTAL CASH AND CASH EQUIVALENT - END OF YEAR	<u>1 287</u>	<u>51 355</u>

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared on the historical cost basis in accordance with entity specific basis of accounting and the constitution, incorporating the principal accounting policies set out below which are consistent with the previous year.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services for rental to others or for administrative purposes and are expected to be used during more than one period.

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

<u>ITEM</u>	<u>USEFUL LIFE</u>
Delivery vehicles	5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

Depreciation is not provided on building improvements.

1.2 FINANCIAL INSTRUMENTS

Financial Instruments may be designated to be measured at cost. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, 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.

1.3 TRADE & OTHER RECEIVABLES

Trade and other receivables originated by the enterprise are classified as at the fair value through profit and loss.

1.4 CASH AND CASH EQUIVALENTS

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

1.5 TRADE AND OTHER PAYABLES

Trade and other payables are measured amortised cost using the effective interest method.

1.6 REVENUE

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
-

the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the transaction received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised at cost.

1.7 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

2. PROPERTY, PLANT & EQUIPMENT

	2017			2016		
	Cost	Acc depr	Carrying value	Cost	Acc depr	Carrying value
	R	R	R	R	R	R
Delivery vehicles	231 000	(51 010)	179 990	231 000	(4 810)	226 190
	<u>231 000</u>	<u>(51 010)</u>	<u>179 990</u>	<u>231 000</u>	<u>(4 810)</u>	<u>226 190</u>

The carrying amounts of the assets can be reconciled as follows:

	Carrying value opening	Add/(Disp)	Depr	Carrying value closing
	R	R	R	R
Delivery vehicles	226 190	-	46 200	179 990
	<u>226 190</u>	<u>-</u>	<u>46 200</u>	<u>179 990</u>

	2017	2016
	R	R
3. OPERATING PROFIT/(LOSS)	<u>(96 408)</u>	<u>273 685</u>
Operating profit is stated after:		
- Independent compiler's remuneration	4 000	-
- Depreciation	46 200	4 810

OUR LIVES IN AFRICA**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)**

	2017	2016
	R	R
4. CASH AND CASH EQUIVALENTS		
Bank balance	1 286	51 355
Petty cash	-	-
	<u>1 286</u>	<u>51 355</u>

5. MANAGEMENT COMMITTEE'S LOANS

J Lee	<u>-</u>	<u>3 860</u>
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This loan is unsecured, bears interest as agreed upon by the parties from time to time, and has no fixed terms of repayment. No interest payable on credit balances.

6. TAXATION

No provision has been made for 2017 income tax, as the entity is a non-profit organisation (NPO 140-272) and SARS tax exemption (PBO 930 052 233) has been granted.

7. TRADE AND OTHER PAYABLES

Trade payables	4 000	-
	<u>4 000</u>	<u>-</u>

OUR LIVES IN AFRICA
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 R	2016 R
REVENUE			
Donations received		197 642	357 578
OTHER INCOME			
Interest received		-	-
TOTAL INCOME		<u>197 642</u>	<u>357 578</u>
OPERATING EXPENSES			
		<u>(294 050)</u>	<u>(83 893)</u>
OPERATING SURPLUS / (SHORTFALL)	3	(96 408)	273 685
Finance costs		-	-
SURPLUS / (SHORTFALL) BEFORE TAXATION		<u>(96 408)</u>	<u>273 685</u>
Taxation	13	-	-
NET SURPLUS / (SHORTFALL) FOR THE YEAR		<u><u>(96 408)</u></u>	<u><u>273 685</u></u>

OUR LIVES IN AFRICA
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

Notes	2017 R	2016 R
OPERATING EXPENSES		
I am precious to Jesus Campaign	18 000	10 600
OLIA Centre costs	105 088	-
Accounting fees	5 000	-
Bank charges	2 496	1 894
Depreciation	46 200	4 810
Donations	-	1 550
Food & groceries for ministry	5 062	7 076
Independent compiler's fee	4 000	-
Meeting & counselling costs	2 965	1 082
Motor vehicle expenses	-	1 830
Repairs and maintenance	2 850	-
Small assets (under R7 000)	1 010	497
Stationery and printing	1 045	7 408
Stipends paid	91 489	43 319
Telephone	850	715
Training	-	139
Travel - Local	7 995	2 973
	294 050	83 893

OUR LIVES IN AFRICA
TAX COMPUTATION FOR THE YEAR ENDED 31 AUGUST 2017

TAX COMPUTATION	R
NET SURPLUS PER INCOME STATEMENT	(96 408)
PERMANENT DIFFERENCES	96 408
TEMPORARY DIFFERENCES	-
TAXABLE SURPLUS FOR 2017	-
ASSESSED LOSS BROUGHT FORWARD	-
ASSESSED LOSS CARRIED FORWARD	-
TOTAL SURPLUS FOR THE YEAR ENDED 31 AUGUST 2017	-
TAXATION ON PROFIT DERIVED FROM TRADING ACTIVITIES, NOT EXEMPT	-