

**WEST RAND LUTHERAN CHURCH**

**Financial statements  
for the year ended 31 December 2018**

**WEST RAND LUTHERAN CHURCH**  
**Financial Statements for the year ended 31 December 2018**

**Members' Responsibilities and Approval**

The members are required by the Companies Act (Act 71 of 2007), 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 financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The financial statements have been prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The members 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 members have reviewed that company's cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's independent reviewer.

The annual financial statements have been prepared on the going concern basis, were approved by the members on the \_\_\_\_\_ and were signed on its behalf by

\_\_\_\_\_  
**N Nkoenyane**  
Chairperson of Church Council

\_\_\_\_\_  
**T Malambe**  
Church Treasurer

## **INDEPENDENT REVIEWER'S REPORT TO THE MEMBERS OF WEST RAND LUTHERAN CHURCH**

We have reviewed the annual financial statements of West Rand Lutheran Church, which comprise the statement of financial position as at 31 December 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended.

These annual financial statements are the responsibility of the organisation's management.

Our responsibility is to issue a report on these annual financial statements based on our review.

We have conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the annual financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, material uncertainty exists that may cast doubt on the entity's ability to continue as a going concern and the financial statements do not adequately disclose this matter in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

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**T.M Mofokeng**

**Independent Reviewer**

## WEST RAND LUTHERAN CHURCH

### BALANCE SHEET as at 31 December 2018

	Note	2018 R	2017 R
<b>Non-Current assets</b>		<b>3 842 487</b>	<b>4 137 221</b>
Property, Plant & Equipment	2	3 842 487	4 137 221
<b>Current assets</b>		<b>211 843</b>	<b>223 561</b>
Receivables		24 350	700
Funds due from Riverbank, Joyland, NL		118 203	158 275
Cash & Other cash equivalents	5	69 290	64 586
<b>Total Assets</b>		<b>4 054 330</b>	<b>4 360 782</b>
<b>Members' Interest and Liabilities</b>		<b>142 772</b>	<b>367 293</b>
Retained Income		142 772	367 293
<b>Non-current Liabilities</b>		<b>2 028 652</b>	<b>2 447 753</b>
CDT Foundation	6	1 013 969	1 089 808
Vehicle Financing	7	449 992	729 322
Bond - Karee Street	8	564 691	628 622
<b>Current Liabilities</b>		<b>1 882 906</b>	<b>1 607 086</b>
Sundry Liabilities	9	51 749	61 350
Bank overdraft	5	124 478	144 106
ELCSA (NT)	10	1 706 679	1 401 630
<b>Total Members' Interest &amp; Liabilities</b>		<b>4 054 330</b>	<b>4 360 782</b>

## WEST RAND LUTHERAN CHURCH

### INCOME STATEMENT for the year ended 31 December 2018

	Note	2018 R	2017 R
<b>Gross revenue</b>		<b>4 584 012</b>	<b>4 692 761</b>
Sales	3	4 584 012	4 692 761
<b>Other Income</b>	4	317 843	<b>398 087</b>
Interest Received		59	849
Sundry Income		317 784	397 238
<b>Total Income</b>		<b>4 901 855</b>	<b>5 090 848</b>
Expenditure	11	5 126 376	4 701 589
Profit/(Loss) of the year		(224 521)	389 259
Accumulated (Loss)/ Profit at the beginning		367 293	(21 966)
Accumulated profit at the end		142 772	367 293

## WEST RAND LUTHERAN CHURCH

### CASH FLOW STATEMENT for the year ended 31 December 2018

	Note	2018 R	2017 R
<b>Cash Flows from operating activities</b>			
Cash generated by operating activities	12	154 384	284 447
Interest paid		(297 125)	(273 722)
<b>Net Cash from operating activities</b>		<b><u>(142 741)</u></b>	<b><u>10 725</u></b>
<b>Cash Flows from investing activities</b>			
Acquisition of Property, Plant and Equipment	2	-	(698 356)
<b>Net Cash from investing activities</b>		<b>-</b>	<b>(698 356)</b>
<b>Net Cash from financing activities</b>			
Movement in Loans	13	152 139	723 588
<b>Net Cash used in financing activities</b>		<b><u>152 139</u></b>	<b><u>723 588</u></b>
Increase / decrease in cash and cash equivalents		<b>9 398</b>	<b>35 957</b>
Cash and cash equivalents at beginning of year		(64 586)	(100 543)
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b><u>(55 188)</u></b>	<b><u>(64 586)</u></b>

## WEST RAND LUTHERAN CHURCH

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018

#### 2 Property, plant and equipment

Description	Depreciation Months	Cost	Additions	Total cost	Accumulated depreciation	Depreciation 2018	Carrying Value end of year 2018
Furniture & Equipment	60	68,847	-	68,847	62,596	4,030	2,221
Motor vehicles	60	2,252,639	-	2,252,639	1,523,600	269 999	459 040
Land and Buildings	0	3,232,134	-	3,232,134	-	-	3,232,134
Land Improvements - Paving	120	246,928	-	246,928	111,958	17,755	117,215
Office Equipment	36	8,025	-	8,025	8,025	-	-
Ground Equipment	36	68,283	-	68,283	33,456	2,950	31,877
Computer Equipment	36	34,901	-	34,901	34,901	-	-
		<b>5,911,757</b>	<b>-</b>	<b>5,911,757</b>	<b>1,774,536</b>	<b>294 734</b>	<b>3,842,487</b>

	2018 R	2017 R
<b>3 Sales</b>	<b>4 584 012</b>	<b>4 692 761</b>
Joyland Facility Income	-	1 570 932
Riverbank Facility Income	-	993 629
Riverbank & Joyland Schools Income/Shared service Church	2 059 005	-
Neema Lalela	1 747 118	1 539 467
Youth and Incredible Kids	-	15 820
	777 889	572 913
<b>4 Other Income</b>	<b>317 843</b>	<b>398 087</b>
Interest Church	59	849
Rental Income	17 872	36 618
Sundry	23 000	33 950
Insurance Income	106 642	142 648
Fundraising	40 956	35 258
	129 314	148 764

## WEST RAND LUTHERAN CHURCH

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018

	2018 R	2017 R
<b>5 Cash &amp; Other Cash Equivalents</b>	<b>(55 188)</b>	<b>(64 586)</b>
Bank accounts	(55 188)	(64 586)
<b>6 CDT</b>		
Opening balance	1 089 808	1 372 327
Additions	33 345	0
Interest	89 162	103 029
Payments	(165 000)	(385 000)
Closing balance	<b>1 047 315</b>	<b>1 089 808</b>
<b>7 Vehicle Financing</b>		
Opening balance	729 322	390 983
Purchases	0	698 356
Payments	(279 330)	(360 017)
Closing balance	<b>449 992</b>	<b>729 322</b>
<b>8 Bond - Karee Street</b>		
Opening balance	628 622	686 561
Interest	62 069	68 061
Payments	(126 000)	(126 000)
Closing balance	<b>564 691</b>	<b>628 622</b>
<b>9 Sundry Creditors</b>	<b>51 749</b>	<b>61 350</b>
Salaries & wages – Personnel Services	12 250	10 417
Pension Fund	0	0
Electricity and Water	3 593	0
Fleet	20 166	43 897
Compensation Fund	0	0
Internet & Communication	2 739	1 896
Groceries (Norberts)	552	0
Printing (Verb Graphics)	6 000	0
SARS EMP 201	6 449	5 140



## WEST RAND LUTHERAN CHURCH

### NOTES TO THE FINANCIAL STATEMENTS For year ended 31 December 2018

	2018 R	2017 R
<b>10 ELCSA (NT)</b>		
Opening balance	1 401 630	960 821
Additions	584 778	553 273
Interest	94 771	97 539
Payments	(374 500)	(210 000)
Closing balance	<b>1 706 679</b>	<b>1 401 630</b>
<b>11 Expenditure</b>	<b>5 126 376</b>	<b>4 701 589</b>
Accounting Fees	7 605	7 643
Advertising & Promotions	1 249	8 412
Bad Debts Written Off	0	1 130
Bank Charges	45 564	42 633
Church services expenses	101 764	68 359
Building	2 430	21 219
Computer Programme Expenses	41 653	91 707
Depreciation	294 734	243 845
Electricity & Water	372 158	430 937
Motor vehicles expenses	719 308	662 883
Ground Expenses	23 473	23 189
Social Ministry	10 406	14 580
Youth and Kids work	802 329	609 224
Insurance	202 122	181 373
Fundraiser expenses	78 193	0
Interest paid	297 125	273 722
Tuckshop, uniforms and swimming pool	41 828	96 434
Printing & Stationery	75 523	69 660
Intern expenses	128 456	128 744
Rent Paid - Youth Pastor	39 400	60 841
Rentals Office Machinery	891	5 349
Repairs & Maintenance	58 842	69 040
Salaries & Wages	1 549 596	1 418 579
Security Buildings	12 465	13 804
Staff Refreshments & Groceries	40 270	39 188
Sundry Expense	73 736	21 529
Telephone & Fax	105 254	97 565

## WEST RAND LUTHERAN CHURCH

### NOTES TO THE FINANCIAL STATEMENTS For year ended 31 December 2018

	2018	2017
<b>12. Cash flow from operations</b>	<b>154 384</b>	<b>284 447</b>
(Loss)/ Profit before tax	(224 521)	389 259
Depreciation	294 734	243 845
Interest income	(59)	(849)
Interest paid	297 125	273 722
Change in working capital	(212 895)	(621 530)
<b>13. Cash flow from financing activities</b>	<b>152 139</b>	<b>732 588</b>
Movement in ELCSA-NT	447 893	465 625
Movement in CDT Loan	(42 493)	(281 971)
Movement in Vehicle finance	(219 330)	597 873
Movement in Bond Karee	(63 931)	(57 939)