Joint Aid Management NPC
(Registration number 1983/011022/08)
Annual Financial Statements
for the year ended 31 December 2017

K.R. Narotam Inc.
Chartered Accountants (SA)
Registered Auditors

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The provision of all forms of aid to destitute persons and related services
Directors	Ann Athol Pretorius Angela Janice Stankovic Julia Basetsana Kumalo Paul Appalsamy
Business address	Plot 123 Copperhouse Road Nooitgedacht Honeydew 1739
Postal address	PO Box 1502 Honeydew Randburg Johannesburg 2040
Bankers	Standard Bank of South Africa Limited
Auditors	K.R. Narotam Inc. Chartered Accountants (SA) Registered Auditors
Company registration number	1983/011022/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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

Preparer

Arvind Magan and Associates Inc.
Chartered Accountants (SA)

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 company 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors 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 board of directors 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 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 minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 directors have reviewed the company's cash flow forecast for the year to 31 December 2018 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 external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4 & 5.

The annual financial statements set out on pages 8 to 20, which have been prepared on the going concern basis, were approved by the board of directors on 30 October 2018 and were signed on its behalf by:

Director **Director**

Independent Auditor's Report

To the director of Joint Aid Management NPC

Qualified opinion

We have audited the annual financial statements of Joint Aid Management NPC set out on pages 8 to 19, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of Joint Aid Management NPC as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over certain cash collections prior to the entry in the accounting records. Accordingly it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company 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 annual 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 qualified opinion.

Emphasis of matter

We draw attention to an incident of fraud at an employee level that has been brought to our attention during the audit. To our knowledge and as per the forensic investigation report, the fraud was limited to a past employee and there was no involvement by any person at management level within the entity. Amounts pertaining to fraud has been accounted for as a current asset within the statement of financial positiion account, trade and other receivables. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008,and the detailed income statement on page 20 which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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.

Independent Auditor's Report

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

K.R. Narotam Inc.
Chartered Accountants (SA)
Registered Auditors

30 October 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Joint Aid Management NPC for the year ended 31 December 2017.

1. Nature of business

Joint Aid Management NPC was incorporated in South Africa with interests in the provision of all forms of aid to destitute persons and other related services. The company operates mainly in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
Peter Desmond Pretorius	Chairperson	Executive	Passed away on 09 August 2018
Ann Athol Pretorius	Director	Executive	Appointed 23 March 2017
Angela Janice Stankovic	Chief Operating Officer	Executive	
Julia Basetsana Kumalo	Director	Non-executive	Appointed 23 March 2017
Paul Edwards	Director	Non-executive	Resigned 24 March 2017
Paul Appalsamy	Director	Non-executive	Appointed 23 March 2017
Arvind Vanmali Magan	Director	Non-executive	Appointed 23 March 2017, resigned 13 December 2017

4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

5. Property, plant and equipment

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

At 31 December 2017 the company's investment in property, plant and equipment amounted to R9 073 133 (2016:R9 210 653), of which R819 232 (2016: R2 488 583) was added in the current year through additions.

6. Events after the reporting period

Peter Desmond Pretorius director of Joint Aid Management (NPC) passed away on 09 August 2018. The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Directors' Report

8. Litigation statement

On 6 April 2018, Joint Aid Management NPC appointed Santhos Manilall Forensics (Pty) Ltd to conduct a forensic investigation into allegations of possible fraud, theft, corruption and gross misconduct at Joint Aid Management South Africa by certain employees.

On 3 April 2018, acting in her capacity on mandate, Ms Stankovic deposed to an affidavit of complaint at the Muldersdrift police station and a case was registered. Due to the complexity of the matter, this case has been transferred to the Specialised Commercial Crimes Unit in Johannesburg.

To our knowledge, the fraud was limited to a past employee and there was no involvement by any person at management level within the entity. Amounts pertaining to fraud has been accounted for as a current asset within the statement of financial position account, trade and other receivables.

9. Auditors

K.R. Narotam Inc. continued in office as auditors for the company for 2017.

10. Secretary

No secretary has been appointed during the year.

Statement of Financial Position as at 31 December 2017

Figures in Rand	Notes	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	9 073 133	9 210 653
Non-current asset held for sale	3	-	14 000 000
		9 073 133	**23 210 653**
Current Assets			
Inventories	4	1 033 371	1 770 828
Trade and other receivables	5	7 463 638	14 807 749
Cash and cash equivalents	6	15 282 811	10 420 814
		23 779 820	**26 999 391**
Total Assets		**32 852 953**	**50 210 044**
Equity and Liabilities			
Equity			
Accumulated surplus		19 328 078	37 197 364
Liabilities			
Current Liabilities			
Trade and other payables	7	1 382 104	7 588 736
Deferred income	8	12 142 771	5 423 944
		13 524 875	**13 012 680**
Total Equity and Liabilities		**32 852 953**	**50 210 044**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2017	2016
Income		60 111 879	54 296 064
Operating expenses		(63 993 313)	(52 751 028)
Operating (deficit) surplus		**(3 881 434)**	**1 545 036**
Investment revenue	9	12 148	53 820
Finance costs		-	(4 687)
Operating (deficit) surplus before donation		**(3 869 286)**	**1 594 169**
Donation			
Donation to Joint Aid Management USA		(14 000 000)	-
		(17 869 286)	**1 594 169**

A donation of R14 000 000 was made to Joint Aid Management USA in the 2017 financial year.

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2016	**35 603 195**	**35 603 195**
Surplus for the year	**1 594 169**	**1 594 169**
Balance at 01 January 2017	**37 197 364**	**37 197 364**
Deficit for the year	**(17 869 286)**	**(17 869 286)**
Balance at 31 December 2017	**19 328 078**	**19 328 078**

Statement of Cash Flows

Figures in Rand	Notes	2017	2016
Cash flows from operating activities			
Cash used in operations	10	(9 710 016)	(39 329)
Interest income		12 148	53 820
Finance costs		-	(4 687)
Net cash generated from operating activities		**(9 697 868)**	**9 804**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(819 232)	(2 488 583)
Sale of property, plant and equipment	2	1 379 097	(220 501)
Sale of non-current asset held for sale		14 000 000	-
Net cash from investing activities		**14 559 865**	**(2 709 084)**
Cash flows from financing activities			
Repayment of other financial liabilities		-	(78 120)
Total cash movement for the year		**4 861 997**	**(2 777 400)**
Cash at the beginning of the year		10 420 814	13 198 214
Total cash at end of the year	6	**15 282 811**	**10 420 814**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property		Indefinite
Office equipment	Straight line	10 years
Motor vehicles	Straight line	5 years
Warehouse equipment	Straight line	10 years
IT equipment	Straight line	4 years
Plant & Machinery - Containers	Straight line	5 years
Plant & Machinery - General field equipment	Straight line	3 years
Plant & Machinery - Irrigation & garden systems	Straight line	3 years
Plant & Machinery - Telecommunications	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of 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 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

Donations in kind are measured at fair value and recognised as an expense in the period in which they are distributed.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Accounting Policies

1.6 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.7 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists , the repayment is recognised immediately as an expense.

1.8 Income

Funds received are recognised to the extent that it is probable that economic benefits will flow to the organisation and the funds received can be reliably measured.

The following specific criteria in the financial period must be met before funds are recognised:

<u>The following income is recognised in the financial period of its intended use:</u>
- Gifts in kind - advertising
- Income received from corporates, trusts and foundations
- Gains on disposal of assets
- Gifts in kind - received
- Grants and contracts
- Investment income
- Other income
- Other recoveries
- Private contributions
- Sundry sales

Interest is recognised, in profit or loss, using the effective interest rate method.

Donations in kind are measured at the fair value of the item received and recognised in "income" once received from the donor. Gifts in kind received are recognised to the extent that donations in kind are distributed during the same period.

1.9 Borrowing costs

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

Accounting Policies

1.10 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current accounts which are available for use by the organisation unless otherwise stated.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold property	5 925 101	-	5 925 101	5 925 101	-	5 925 101
Plant and machinery	470 001	(279 839)	190 162	438 901	(219 565)	219 336
Motor vehicles	5 247 118	(2 643 647)	2 603 471	4 572 808	(1 853 011)	2 719 797
Office equipment	80 384	(24 740)	55 644	66 380	(16 175)	50 205
IT equipment	448 256	(268 786)	179 470	361 180	(187 466)	173 714
Warehouse equipment	165 715	(46 430)	119 285	152 975	(30 475)	122 500
Total	**12 336 575**	**(3 263 442)**	**9 073 133**	**11 517 345**	**(2 306 692)**	**9 210 653**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Leasehold property	5 925 101	-	-	5 925 101
Plant and machinery	219 336	31 100	(60 274)	190 162
Motor vehicles	2 719 797	674 310	(790 636)	2 603 471
Office equipment	50 205	14 004	(8 565)	55 644
IT equipment	173 714	87 076	(81 320)	179 470
Warehouse equipment	122 500	12 742	(15 957)	119 285
	9 210 653	**819 232**	**(956 752)**	**9 073 133**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Other changes, movements	Depreciation	Closing balance
Leasehold property	5 925 101	-	-	-	5 925 101
Plant and machinery	56 702	141 995	59 198	(38 559)	219 336
Motor vehicles	1 392 140	2 252 296	(159 100)	(765 539)	2 719 797
Office equipment	41 884	16 622	-	(8 301)	50 205
IT equipment	198 835	74 695	(35 211)	(64 605)	173 714
Warehouse equipment	180 034	2 975	(42 536)	(17 973)	122 500
	7 794 696	**2 488 583**	**(177 649)**	**(894 977)**	**9 210 653**

Details of properties

Buildings which were erected on land owned by Food Property Holdings (Proprietary) Limited have been considered as an asset.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

3. Non-current asset held for sale

2017 Financial Year

Balance as at 31 December 2017 - nil
Transfer of ownership has been affected in the 2017 financial year.

2016 Financial Year

Balance as at 31 December 2016 - R14 000 000
A deed of sale was signed on 29 August 2014 between the organisation and Heartland Foods (Pty) Ltd for R14 000 000. In terms of the sale agreement , a deposit of R4 000 000 has been paid and a written guarantee has been provided by Heartland Foods (Pty) Ltd for the balance of the selling price. As at 31 December 2016, transfer of ownership has not yet been affected at the Deeds office due to Heartland Foods (Pty) Ltd amending the sale agreement to have the property transferred to one of their property holding companies. A new agreement was drawn up. The original purchase price of the property in 2009 was R14 280 000.

4. Inventories

	2017	2016
General inventory	350 426	304 428
CSS Food	584 650	1 367 565
Blankets	98 295	98 835
	1 033 371	**1 770 828**

5. Trade and other receivables

	2017	2016
Trade receivables	1 046 758	5 812 743
Prepayments	1 925 000	3 025 800
VAT	1 233 783	4 766 854
Accrued income	247 617	-
Other receivables	3 010 480	1 202 352
	7 463 638	**14 807 749**

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2017	2016
Bank balances	15 282 811	10 420 814

7. Trade and other payables

	2017	2016
Trade payables	293 578	700 947
Other payables	1 088 526	2 313 452
Deposits	-	4 574 337
	1 382 104	**7 588 736**

8. Deferred income

	2017	2016
Deferred income	12 142 771	5 423 944

The KFC Social Trust has paid in advance a donation of R12 142 771 (2016: R5 423 944).

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

9. Investment revenue

Interest revenue		
Bank	12 148	53 820

10. Cash used in operations

(Loss) profit before taxation	(17 869 286)	1 594 169
Adjustments for:		
Depreciation	956 750	894 977
(Profit) loss on sale of assets	(1 379 097)	220 501
Interest received	(12 148)	(53 820)
Finance costs	-	4 687
Other non-cash movements	-	177 647
Changes in working capital:		
Inventories	737 457	1 076 257
Trade and other receivables	7 344 113	(3 043 090)
Trade and other payables	(6 206 632)	2 155 000
Deferred income	6 718 827	(3 065 657)
	(9 710 016)	**(39 329)**

11. Related parties

Relationships	
Affiliated entities	Joint Aid Management International Joint Aid Management Angola Joint Aid Management Switzerland
Members of key management	PD Pretorius AJ Stankovic

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in Trade and Other Payables regarding related parties		
Joint Aid Management International	293 578	700 947
Amounts included in Trade and Other Receivables regarding related parties		
Joint Aid Management International	1 046 758	5 582 224
Joint Aid Management Switzerland	-	230 519

12. Directors' remuneration

No emoluments were paid to the directors during the year.

13. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2017 year end. On principle this standard has been applied retrospectively.

The date of transition was 01 January 2016.

Notes to the Annual Financial Statements

Figures in Rand	2017	2016

14. Contingencies

On 6 April 2018, Joint Aid Management NPC appointed Santhos Manilall Forensics (Pty) Ltd to conduct a forensic investigation into allegations of possible fraud, theft, corruption and gross misconduct at Joint Aid Management South Africa by certain employees.

On 3 April 2018, acting in her capacity on mandate, Ms Stankovic deposed to an affidavit of complaint at the Muldersdrift police station and a case was registered. Due to the complexity of the matter, this case has been transferred to the Specialised Commercial Crimes Unit in Johannesburg.

To our knowledge, the fraud was limited to a past employee and there was no involvement by any person at management level within the entity. Amounts pertaining to fraud has been accounted for as a current asset within the statement of financial position account, trade and other receivables.

15. Taxation

No provision has been made for taxation in the current year as the company has no taxable income. Further, the company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act (The Act), and its receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

16. Going concern

We draw attention to the fact that at 31 December 2017, the company had accumulated surplus of R 19 328 078 and that the company's total assets exceed its liabilities by R 19 328 078.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Joint Aid Management NPC

(Registration number: 1983/011022/08)
Annual Financial Statements for the year ended 31 December 2017

Detailed Income Statement

Figures in Rand	Notes	2017	2016
Operating income			
Gifts in kind - advertising		5 563 838	5 576 657
Corporates, trusts and foundations		1 847 709	2 315 708
Gains on disposal of assets		1 379 097	-
Gifts in kind received		9 359 671	10 961 857
Grants and contracts		30 665 473	29 556 189
Investment income	9	12 148	53 820
Other income		800 403	1 294 151
Other recoveries		6 678 709	619 797
Private contributions		3 221 222	3 674 962
Sundry sales		595 757	296 743
		60 124 027	**54 349 884**
Operating expenses			
Advertising and marketing		533 804	1 777 440
Auditors remuneration - external auditors		200 000	90 000
Bank charges		387 747	324 348
Commodities		11 504 399	7 468 903
Communication		298 499	348 371
Depreciation		956 752	894 977
Employee costs		12 464 037	12 971 430
Foreign bank charges		3 845 180	-
Gifts in kind		10 137 086	10 961 857
Gifts in kind - advertising		5 563 838	5 576 657
Gifts to similar organisations		2 049 029	627 065
Loss on disposal of assets or settlement of liabilities		-	220 501
Motor vehicle expenses		3 458 113	1 838 883
Non-capitalised assets		171 803	158 108
Occupancy		484 467	522 427
Other expenses and costs		790 219	122 996
Professional services and fees		6 091 637	738 494
Repairs and maintenance		79 090	26 163
Stock written off		41 897	-
Supplies		3 877 256	6 527 759
Training		161 077	514 297
Travel		897 383	1 040 352
		63 993 313	**52 751 028**
Operating (deficit) surplus		**(3 869 286)**	**1 598 856**
Finance costs		-	(4 687)
Operating (deficit) surplus before donation		**(3 869 286)**	**1 594 169**
Donation to Joint Aid Management USA		(14 000 000)	-
		(17 869 286)	**1 594 169**

A donation of R14 000 000 was made to Joint Aid Management USA in the 2017 financial year.