

# **NOURISH**

**(Registration Number 090 810 NPO)  
Annual Financial Statements  
for the year ended 31 August 2021**

# NOURISH

(Registration Number 090 810 NPO)

Annual Financial Statements for the year ended 31 August 2021

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# NOURISH

(Registration Number 090 810 NPO)

Annual Financial Statements for the year ended 31 August 2021

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	090 810 NPO
<b>Nature of Business and Principal Activities</b>	The nonprofit organisation provides education, community upliftment, basic poverty alleviation focused on HIV orphans and vulnerable children.
<b>Member</b>	S Berg
<b>Registered Office</b>	Argle Road Farm Nederland Timbavati Private Nature Reserve
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Nonprofit Organisation Act of South Africa.
<b>Auditors</b>	Mrwebi Auditors and Accountants Inc Unit 9 Leogem Business Park 44 Richards Drive Halfway House, Midrand Gauteng 1685

# NOURISH

(Registration Number 090 810 NPO)

Annual Financial Statements for the year ended 31 August 2021

## Member's Responsibilities and Approval

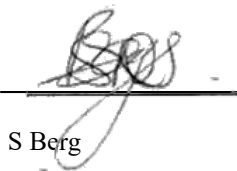
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The member is required by the Nonprofit Organisation Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the nonprofit organisation, and explain the transactions and financial position of the business of the nonprofit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the nonprofit organisation and supported by reasonable and prudent judgements and estimates.

The member acknowledges that he is ultimately responsible for the system of internal financial control established by the nonprofit organisation and places considerable importance on maintaining a strong control environment. To enable the member to meet these responsibilities, the member 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 nonprofit organisation and all employees are required to maintain the highest ethical standards in ensuring the nonprofit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The member 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 the member has no reason to believe that the nonprofit organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the nonprofit organisation.



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S Berg

# NOURISH

(Registration Number 090 810 NPO)

Annual Financial Statements for the year ended 31 August 2021

## Member's Report

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The member presents his report for the year ended 31 August 2021.

### 1. Review of activities

#### Main business and operations

The nonprofit organisation provides education, community upliftment, basic poverty alleviation focused on HIV orphans and vulnerable children. There were no major changes herein during the year.

The operating results and statement of financial position of the nonprofit organisation are fully set out in the attached financial statements and do not in my opinion require any further comment.

### 2. Going concern

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.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The member is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the nonprofit organisation.

### 4. Borrowing limitations

In terms of the Memorandum of Incorporation of the nonprofit organisation, the member may exercise all the powers of the nonprofit organisation to borrow money, as he considers appropriate.

### 5. Donation

No donation was declared or paid to the member during the year.

### 6. Member

The member of the nonprofit organisation during the year and up to the date of this report is as follows:

S Berg

### 7. Independent Auditors

Mrwebi Auditors and Accountants Inc were the independent auditors for the year under review.

## **Independent Auditor's Report**

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### **To the Member of NOURISH**

#### **Opinion**

We have audited the financial statements of NOURISH set out on pages 7 to 15, which comprise the statement of financial position as at 31 August 2021, and the statement of comprehensive income, the statement of changes in equity 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 NOURISH as at 31 August 2021, 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 and the requirements of the Nonprofit Organisation Act of South Africa.

#### **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 nonprofit 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The member is responsible for the other information. The other information comprises the information included in the document titled "NOURISH Annual Financial Statements for the year ended 31 August 2021", which includes the Member's Report, and the statement of Member's Responsibilities and Approval as required by the Nonprofit Organisation Act of South Africa, which we obtained prior to the date of this report, and the supplementary information set out on page 16. 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.

#### **Responsibilities of the Member for the Financial Statements**

The member is 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 the requirements of the Nonprofit Organisation Act of South Africa, and for such internal control as the member determines 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 member is responsible for assessing the nonprofit 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 member either intends to liquidate the nonprofit organisation or to cease operations, or has 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 nonprofit organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the member.
- Conclude on the appropriateness of the member'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 nonprofit 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 nonprofit 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 member 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.

**Mrwebi Auditors and Accountants Inc**

**22 September 2022**



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**Per: Masixole Mrwebi CA(SA), RA**  
**Director / Partner**  
**Registered Auditor**

**Unit 9 Leogem Business Park**  
**44 Richards Drive**  
**Halfway House, Midrand**  
**Gauteng**  
**1685**

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Statement of Financial Position

Figures in R	Notes	2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,775	17,575
<b>Current assets</b>			
Cash and cash equivalents	4	81,088	265,737
<b>Total assets</b>		<b>82,863</b>	<b>283,312</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus / (accumulated deficit)		82,581	(41,491)
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan from member	5	-	324,803
Bank overdraft	4	282	-
<b>Total current liabilities</b>		<b>282</b>	<b>324,803</b>
<b>Total equity and liabilities</b>		<b>82,863</b>	<b>283,312</b>

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Statement of Comprehensive Income

Figures in R	2021	2020
Revenue	1,705,769	2,101,004
Cost of sales	(349,431)	(1,177,462)
<b>Gross surplus</b>	<b>1,356,338</b>	<b>923,542</b>
Administrative expenses	(122,850)	(38,029)
Other expenses	(1,110,476)	(657,728)
Other gains and (losses)	-	20,600
<b>Surplus from operating activities</b>	<b>123,012</b>	<b>248,385</b>
Finance income	1,060	2,425
<b>Surplus for the year</b>	<b>124,072</b>	<b>250,810</b>

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Statement of Changes in Equity

Figures in R	Accumulated surplus / (accumulated deficit)	Total
<b>Balance at 1 September 2019</b>	(292,301)	(292,301)
<b>Changes in equity</b>		
Surplus for the year	250,810	250,810
Total comprehensive income for the year	250,810	250,810
<b>Balance at 31 August 2020</b>	<b>(41,491)</b>	<b>(41,491)</b>
<b>Balance at 1 September 2020</b>	(41,491)	(41,491)
<b>Changes in equity</b>		
Surplus for the year	124,072	124,072
Total comprehensive income for the year	124,072	124,072
<b>Balance at 31 August 2021</b>	<b>82,581</b>	<b>82,581</b>

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Statement of Cash Flows

Figures in R

Note 2021 2020

### Cash flows from operations

#### Surplus for the year

124,072 250,810

#### Adjustments to reconcile surplus

Adjustments for finance income

(1,060) (2,425)

Adjustments for depreciation and amortisation expense

15,800 15,800

Adjustments for gains and losses on disposal of non-current assets

- (20,600)

#### Total adjustments to reconcile surplus

14,740 (7,225)

### Net cash flows from operations

138,812 243,585

Interest received

1,060 2,425

### Net cash flows from operating activities

139,872 246,010

### Cash flows from investing activities

Proceeds from sales of property, plant and equipment

- 25,000

Purchase of property, plant and equipment

- (18,000)

### Cash flows from investing activities

- 7,000

### Cash flows (used in) / from financing activities

Proceeds from other financial liabilities

(324,803) 135

### Cash flows (used in) / from financing activities

(324,803) 135

### Net (decrease) / increase in cash and cash equivalents

(184,931) 253,145

Cash and cash equivalents at beginning of the year

265,737 12,592

### Cash and cash equivalents at end of the year

4 80,806 265,737

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Accounting Policies

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### 1. General information

NOURISH ('the nonprofit organisation') provides education, community upliftment, basic poverty alleviation focused on HIV orphans and vulnerable children.

The nonprofit organisation is incorporated as a Nonprofit Organisation and domiciled in South Africa. The address of its registered office is Argle Road, Farm Nederland, Timbavati Private Nature Reserve.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of NOURISH have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Nonprofit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the nonprofit organisation's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the member.

The nonprofit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the nonprofit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Motor vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

#### 2.2 Financial instruments

##### Loan to (from) member

The loan to member is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

The loan from member is classified as a debt instrument, and is initially measured at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

### **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.

## **2.3 Leases**

### **Classification**

A lease is classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease when it does not transfer substantially all the risks and rewards incidental to ownership.

### **Operating leases as lessee**

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

## **2.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity 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; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the nonprofit organisation's right to receive payment has been established and is shown as 'finance income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

## 2.5 Employee benefits

### **Short-term employee benefits**

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

## 2.6 Borrowing costs

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Notes to the Financial Statements

Figures in R

2021

2020

### 3. Property, plant and equipment

#### Balances at year end and movements for the year

	Motor vehicles	Total
<b>Reconciliation for the year ended 31 August 2021</b>		
<b>Balance at 1 September 2020</b>		
At cost	79,000	79,000
Accumulated depreciation	(61,425)	(61,425)
<b>Carrying amount</b>	<b>17,575</b>	<b>17,575</b>
<b>Movements for the year ended 31 August 2021</b>		
Depreciation	(15,800)	(15,800)
<b>Property, plant and equipment at the end of the year</b>	<b>1,775</b>	<b>1,775</b>
<b>Closing balance at 31 August 2021</b>		
At cost	79,000	79,000
Accumulated depreciation	(77,225)	(77,225)
<b>Carrying amount</b>	<b>1,775</b>	<b>1,775</b>
<b>Reconciliation for the year ended 31 August 2020</b>		
<b>Balance at 1 September 2019</b>		
At cost	83,000	83,000
Accumulated depreciation	(63,225)	(63,225)
<b>Carrying amount</b>	<b>19,775</b>	<b>19,775</b>
<b>Movements for the year ended 31 August 2020</b>		
Additions from acquisitions	18,000	18,000
Depreciation	(15,800)	(15,800)
Disposals	(4,400)	(4,400)
<b>Property, plant and equipment at the end of the year</b>	<b>17,575</b>	<b>17,575</b>
<b>Closing balance at 31 August 2020</b>		
At cost	79,000	79,000
Accumulated depreciation	(61,425)	(61,425)
<b>Carrying amount</b>	<b>17,575</b>	<b>17,575</b>

### 4. Cash and cash equivalents

#### 4.1 Cash and cash equivalents included in current assets:

##### Cash

Balances with banks	81,088	265,737
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#### 4.2 Net cash and cash equivalents

Current assets	81,088	265,737
Current liabilities	(282)	-
	<b>80,806</b>	<b>265,737</b>

# NOURISH

(Registration Number 090 810 NPO)

Financial Statements for the year ended 31 August 2021

## Notes to the Financial Statements

Figures in R

2021

2020

### 5. Loan from member

Loan from member comprises:

Shana	-	44,214
S Berg	-	280,589
	<u>-</u>	<u>324,803</u>

# NOURISH

(Registration Number 090 810 NPO)

Annual Financial Statements for the year ended 31 August 2021

## Detailed Income Statement

Figures in R

	2021	2020
<b>Revenue</b>		
Sale	1,705,769	2,101,004
<b>Cost of sales</b>		
Clothes	(540)	(14,397)
Food/food relief	(10,111)	(336,214)
Plants	-	(3,379)
Project expenses	(338,780)	(823,472)
	<b>(349,431)</b>	<b>(1,177,462)</b>
<b>Gross surplus</b>	<b>1,356,338</b>	<b>923,542</b>
<b>Administrative expenses</b>		
Accounting fees	(2,013)	(1,840)
Bank charges	(32,074)	(24,867)
Computer expenses	(23,996)	(1,768)
Subscriptions	(16,673)	-
Telecommunication	(48,094)	(9,554)
	<b>(122,850)</b>	<b>(38,029)</b>
<b>Other expenses</b>		
Advertising	(13,283)	(1,628)
Consulting fees	(450)	(5,199)
Courier and postages	(2,700)	(5,223)
Depreciation - property, plant and equipment	(15,800)	(15,800)
Electricity and water	(65,807)	(67,350)
Employee costs - salaries	(529,800)	(404,653)
Entertainment	(6,907)	(3,978)
Insurance	(3,438)	-
Legal expense	(2,600)	-
Motor vehicle expense	(105,535)	(95,310)
Operating lease expense	(38,391)	(6,079)
Printing and stationery	(14,580)	(2,392)
Repairs and maintenance	(77,199)	(3,381)
Security	(8,173)	(40,000)
Small assets	(19,452)	-
Staff welfare	(187,669)	(6,359)
Training	(12,148)	-
Travel - Local	(6,544)	(376)
	<b>(1,110,476)</b>	<b>(657,728)</b>
<b>Other gains and losses</b>		
Gain or loss on sale - property, plant and equip.	-	20,600
<b>Surplus from operating activities</b>	<b>123,012</b>	<b>248,385</b>
<b>Finance income</b>		
Interest received	1,060	2,425
<b>Surplus for the year</b>	<b>124,072</b>	<b>250,810</b>