THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA

(REGISTRATION NUMBER MM 0021/01/04)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

INDEX

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

	PAGE
Independent Auditors' Report	2 - 3
Financial Committees' Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies	9 - 12
Notes to the Annual Financial Statements	13 - 19

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

Detailed Statement of Comprehensive Income	20 - 21

RSM
Audit • Tax • Advisory

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INDEPENDENT AUDITORS' REPORT

To the General Assembly of The Uniting Presbyterian Church in Southern Africa

We have audited the annual financial statements of The Uniting Presbyterian Church in Southern Africa, which comprise the statement of financial position as at 31 December 2011, 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 notes, as set out on pages 5 to 19.

Finance Committees' Responsibility for the Annual Financial Statements

The finance committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the organisation's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash receipts from donations and bequests and assessment income prior to the initial entry of the receipts in the accounting records. Due to the inherent limitations, it was impractical for us to extend the examination beyond receipts actually recorded.

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The church was unable to provide Title Deeds and supporting documentation relating to certain properties occupied by the church, furthermore properties were noted in the name of the church on deed searches which are not recorded in the financial statements of which the value is unknown. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness, existence, valuation and classification of the property disclosed in the financial statements.

The church was unable to provide supporting documentation relating to certain expenses incurred by the church amounting to actual expenses of R931 036 and projected expenses of R2 752 581 as determined by samples tested. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the occurrence, accuracy and completeness of some of the expenses disclosed in the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of The Uniting Presbyterian Church in Southern Africa as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Supplementary Information

Without further qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 20 to 21 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

RSM Betty & Dickson (Johannesburg)

RSM Betty & Dickson (Johannesburg)
Registered Auditors

Per: Louis Quintal CA (SA) RA
Partner

Date: 23\01\2013
Randburg

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

FINANCIAL COMMITTEES' RESPONSIBILITIES AND APPROVAL

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

The financial committee is of the opinion, based on the information and explanations given by management, that the system of internal control now 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 financial committee has reviewed the church's cash flow forecast for the year to 31 December 2012 and, in the light of this review and the current financial position, they are satisfied that the financial committee has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the church's annual financial statements. The annual financial statements have been examined by the church's external auditors and their report is presented on pages 2 to 3.

The annual financial statements set out on pages 5 to 19, which have been prepared on the going concern basis, were approved by the finance committee and signed accordingly.

Chief Financial Officer	23.1.2013 Date
Convener of the Finance Committee	23/1/2013 Date

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note	2011	2010	2009
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	4 076 081	4 322 398	4 445 267
Loans receivable	4	31 419	-	33 951
Investments	5	25 908 003	25 173 048	24 782 409
		30 015 503	**29 495 446**	**29 261 627**
CURRENT ASSETS				
Inventories	6	173 701	-	-
Trade and other receivables	7	1 619 054	1 579 332	949 914
Cash and cash equivalents	8	6 289 172	7 504 329	10 815 356
		8 081 927	**9 083 661**	**11 765 270**
Total Assets		**38 097 430**	**38 579 107**	**41 026 897**
EQUITY AND LIABILITIES				
EQUITY				
Reserves		10 524 622	9 341 410	9 202 965
Retained income		1 788 479	5 067 855	7 559 626
		12 313 101	**14 409 265**	**16 762 591**
LIABILITIES				
NON-CURRENT LIABILITIES				
Restricted purpose funds	9	22 059 096	20 373 081	20 916 544
CURRENT LIABILITIES				
Trade and other payables	10	3 725 233	3 796 761	3 347 762
Total Liabilities		**25 784 329**	**24 169 842**	**24 264 306**
Total Equity and Liabilities		**38 097 430**	**38 579 107**	**41 026 897**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note	2011	2010	2009
Revenue	14	8 946 873	8 856 853	8 771 650
Other income		233 936	179 488	318 198
Operating expenses		(12 494 452)	(11 549 984)	(10 226 118)
Operating deficit	15	**(3 313 643)**	**(2 513 643)**	**(1 136 270)**
Investment revenue	16	34 267	33 669	-
Finance costs	17	-	(11 797)	(451 917)
Deficit for the year		**(3 279 376)**	**(2 491 771)**	**(1 588 187)**
OTHER COMPREHENSIVE INCOME:				
Available-for-sale financial assets adjustments		1 183 212	138 445	(2 021 277)
Total comprehensive deficit		**(2 096 164)**	**(2 353 326)**	**(3 609 464)**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Available for sale reserve on investments	Revaluation reserve on land and buildings	Total reserves	Retained income	Total equity
Opening balance as previously reported	8 731 807	471 158	9 202 965	9 969 912	19 172 877
Adjustments					
Prior period error	-	-	-	(2 410 286)	(2 410 286)
Balance at 01 January 2010 as restated	**8 731 807**	**471 158**	**9 202 965**	**7 559 626**	**16 762 591**
Changes in equity					
Total comprehensive loss for the year	-	-	-	(2 491 771)	(2 491 771)
Movement in reserves	138 445	-	138 445	-	138 445
Total changes	138 445	-	138 445	(2 491 771)	(2 353 326)
Opening balance as previously reported	8 870 252	471 158	9 341 410	7 971 384	17 312 794
Adjustments					
Prior period errors	-	-	-	(2 903 529)	(2 903 529)
Balance at 01 January 2011 as restated	**8 870 252**	**471 158**	**9 341 410**	**5 067 855**	**14 409 265**
Changes in equity					
Total comprehensive loss for the year	-	-	-	(3 279 376)	(3 279 376)
Movement in reserves	1 183 212	-	1 183 212	-	1 183 212
Total changes	1 183 212	-	1 183 212	(3 279 376)	(2 096 164)
Balance at 31 December 2011	**10 053 464**	**471 158**	**10 524 622**	**1 788 479**	**12 313 101**
Note(s)	11&18	12			

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

STATEMENT OF CASH FLOWS

Figures in Rand	Note	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash used in operations	20	(3 308 175)	(2 469 880)	(484 950)
Interest income		34 267	33 669	-
Finance costs		-	(11 797)	(451 917)
Net cash from operating activities		**(3 273 908)**	**(2 448 008)**	**(936 867)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	3	(131 825)	(101 311)	(3 669 144)
Sale of property, plant and equipment		87 722	-	117 705
Net movement in investments		448 257	(252 195)	257 178
Net cash from investing activities		**404 154**	**(353 506)**	**(3 294 261)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Movements in loans receivable		(31 419)	33 951	205 368
Movement in restricted purpose funds		1 686 016	(543 464)	1 869 711
Net cash from financing activities		**1 654 597**	**(509 513)**	**2 075 079**
Total cash movement for the year		**(1 215 157)**	**(3 311 027)**	**(2 156 049)**
Cash at the beginning of the year		7 504 329	10 815 356	12 971 405
Total cash at end of the year	8	**6 289 172**	**7 504 329**	**10 815 356**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Available-for-sale financial assets

The church follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the financial committee evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the church is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the church for similar financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Property, plant and equipment

Management has made certain estimations with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment, as discussed further in note 1.2.

1.2 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the financial committee; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 thereof. 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.

Land is stated at cost and is not depreciated as it is deemed to have an indefinite life.

1.2 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

Item	Average useful life
Buildings	50 years
Furniture and fixtures	5 years
Motor vehicles	6 years
IT computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The gain or loss arising from the derecognition of an item of Property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of Property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 TAXATION

Current tax assets and liabilities

The organisation has tax exemption as a public benefit organisation under Section 30 of the Income Tax Act.

1.4 LEASES

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.6 IMPAIRMENT OF ASSETS

The church assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the church estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 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 paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:
- the church has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

ACCOUNTING POLICIES

1.9 REVENUE

Revenue comprises the following: donation income, assessment fees, interest and dividends. Only assessments on income of congregations for the current year which are received before year end are accounted for.

1.10 BORROWING COSTS

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

1.11 STATEMENT OF FINANCIAL POSITION

The statement of financial position does not reflect the assets and liabilities of congregations, presbyteries, schools and missions, even where assets and liabilities of those entities may be registered in the name of The Uniting Presbyterian Church in Southern Africa.

1.12 RESTRICTED PURPOSE GRANTS AND DONATIONS

Donations and grants received to be utilised for specific purposes are recognised as non-current liabilities on the date of receipt.

Any interest income incurred on the unspent fund is credited to the restricted purpose fund balance and is not recognised as finance income in the organisation's income statement.

An expense incurred on the specific project is deducted from the restricted purpose fund and is not reflected as expenditure on the income statement.

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR SMALL AND MEDIUM-SIZED ENTITIES

The Church has adopted International Financial Reporting Standards for Small and Medium-sized Entities, for the first time for the 2011 year end to provide a starting point for the reporting under International Reporting and Accounting Standards for Small and Medium-sized Entities. In principle, these standards have been applied retrospectively. However, there has been no effect on the carrying amount of assets, liabilities and equity on the comparative period from adoption of the standard. The transition to the new Standards has had no impact on the reported financial position, financial performance and cash flows.

3. PROPERTY, PLANT AND EQUIPMENT

	2011			2010		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land and buildings	3 889 369	(170 776)	3 718 593	3 807 524	(120 794)	3 686 730
Furniture and fixtures	70 015	(43 890)	26 125	155 954	(112 960)	42 994
Motor vehicles	774 375	(452 207)	322 168	1 041 659	(526 410)	515 249
IT equipment	23 815	(14 620)	9 195	136 778	(59 353)	77 425
Total	**4 757 574**	**(681 493)**	**4 076 081**	**5 141 915**	**(819 517)**	**4 322 398**

	2009		
	Cost	**Accumulated depreciation**	**Carrying value**
Land and buildings	3 766 425	(90 357)	3 676 068
Furniture and fixtures	155 954	(99 390)	56 564
Motor vehicles	1 041 839	(380 330)	661 509
IT equipment	76 565	(25 439)	51 126
Total	**5 040 783**	**(595 516)**	**4 445 267**

Reconciliation of property, plant and equipment - 2011

	Opening Balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Land and buildings	3 686 730	81 845	-	(49 982)	3 718 593
Furniture and fixtures	42 994	-	(6 475)	(10 394)	26 125
Motor vehicles	515 249	-	(85 501)	(107 580)	322 168
IT equipment	77 425	49 980	(64 682)	(53 528)	9 195
	4 322 398	**131 825**	**(156 658)**	**(221 484)**	**4 076 081**

Reconciliation of property, plant and equipment - 2010

	Opening Balance	**Additions**	**Depreciation**	**Total**
Land and buildings	3 676 068	41 098	(30 436)	3 686 730
Office furniture	56 564	-	(13 570)	42 994
Motor vehicles	661 509	-	(146 260)	515 249
IT equipment	51 126	60 213	(33 914)	77 425
	4 445 267	**101 311**	**(224 180)**	**4 322 398**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Details of properties

Parktown Property			
Parktown Erf 257, Parktown			
- Purchase price: 2009	3 104 880	3 104 880	3 104 880
- Additions since purchase or valuation	81 845	-	-
	3 186 725	**3 104 880**	**3 104 880**
Blairgowrie Property			
Blairgowrie Manse, Erf 1686, Blairgowrie			
- Purchase price: 2002	162 126	162 126	162 126
- Additions since purchase up until revaluation	16 716	16 716	16 716
- Valuation 2003	471 158	471 158	471 158
- Improvements 2008	11 545	11 545	11 545
- Improvements 2010	41 099	41 099	-
	702 644	**702 644**	**661 545**
Total	**3 889 369**	**3 807 524**	**3 766 425**

4. LOANS RECEIVABLE

Loans receivable balances consist of the following:

Church extensions	404 062	491 177	534 666
The Sedibeng Trust	-	-	33 951
Thekwini Retirement Project	-	75 000	75 000
	404 062	566 177	643 617
Impairment of loans	(372 643)	(566 177)	(609 666)
	31 419	-	**33 951**

The loans are unsecured and interest free with no fixed terms of repayment. In the absence of contractually agreed repayment terms, the fair value of these loans is deemed to be equal to the carrying value. Long outstanding loans where repayments are not deemed likely are identified at each balance sheet date and assessed for impairment.

5. INVESTMENTS

Available for financial instruments at fair value

Unit trusts - Allan Gray Stable Fund	25 663 452	24 973 226	24 563 295
Unit trusts - Oikocredit	244 551	199 822	219 114
	25 908 003	**25 173 048**	**24 782 409**

Fair values are determined annually at balance sheet date based on open market value.

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

6. INVENTORIES

Finished goods	269 853	-	-
	269 853	-	-
Inventories (write-downs)	(96 152)	-	-
	173 701	-	-

7. TRADE AND OTHER RECEIVABLES

Provision for bad debts	-	(24 500)	(24 500)
Deposits	7 998	7 998	7 998
Other receivables	111 056	336 653	328 643
John Vieira - Gross	2 148 049	1 259 181	637 773
John Vieira - Provision	(648 049)	-	-
	1 619 054	**1 579 332**	**949 914**

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	8 435	5 831	6 534
Bank balances	1 650 574	1 393 214	1 443 236
Sanlam - cash on call	2 220 793	3 807 717	7 196 853
Guild Cottage investment	2 409 370	2 297 567	2 168 733
	6 289 172	**7 504 329**	**10 815 356**

The cash and cash equivalents relating to restricted purpose funds, as detailed in the note 9, has not been disclosed as the information is not available. The balance of funds relating to restricted purpose funds is either invested in investments, as detailed in note 5, or retained in cash balances.

9. RESTRICTED PURPOSE FUNDS

Restricted purpose funds comprise donations and bequests which are to be used for specific purposes only. Donation and bequests received for restricted purposes are not recognised as income but are recognised as a liability. Similarly disbursements made from these funds are not recognised as expenditure in the income statement but is offset against the liability.

Exchange reserve	37 355	34 056	32 863
Justice and Social Development Funds	802 567	731 689	706 062
Church Growth Funds	290 919	265 226	255 937
Mission Program Support Fund	1 726 678	1 751 676	2 747 785
EE Courts Fund	5 091 599	4 730 430	4 382 103
David Watson	5 077	4 803	27 979
W Jardine and DM Craig	11 348	10 735	62 538
PAYTS Studies	267 593	-	-
Prebyterian edcutional/bursary funds	1 295 170	1 134 431	1 091 821
Andrew Smith Bursary Trust	441 159	402 198	388 111
T McLeod	3 025	2 861	16 669
Century Thanks Giving Fund	1 106 831	1 270 917	1 344 500
Robert Niven Trust	13 405	12 681	73 872
Alexander and Mary Robertson Kerr Memorial Fund	737 763	298 873	297 814

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

9. RESTRICTED PURPOSE FUNDS (continued)

External Mission Fund	57 304	54 207	315 789
Fedsem	760 858	968 266	1 081 508
JA Swan	605 622	475 459	378 215
Mission Priority	1 715 700	1 631 960	1 478 074
Irene Cuthill Beuest	8 792	8 317	48 450
R B Haggart	65 231	123 044	213 167
Church extention	1 729 230	1 576 513	1 521 297
Gordon Memorial	21 885	20 703	120 605
Guild Cottage Trust fund	1 077 354	879 352	724 231
E M Gwali	15 331	14 503	84 487
Sunday Schools	7 293	6 899	40 190
Ministry Funds	1 893 117	2 091 625	2 251 667
KMC Duncan	1 289 099	1 175 252	1 134 090
Merge of old Funds	751 018	679 802	-
HHK Currie Fund	213 222	-	-
Aylmer Hunter Trust	17 551	16 603	96 720
	22 059 096	**20 373 081**	**20 916 544**

10. TRADE AND OTHER PAYABLES

Non trade payables and accrued expenses	1 340 837	1 362 177	1 146 197
Long leave fund	2 384 396	2 434 584	2 201 565
	3 725 233	**3 796 761**	**3 347 762**

11. AVAILABLE FOR SALE RESERVE

Fair value adjustments on available for sale financial instruments:

Balance at beginning of year	8 870 252	8 731 807	10 753 084
Total comprehensive income	1 183 212	138 445	(2 021 277)
Balance at the end of year	**10 053 464**	**8 870 252**	**8 731 807**

12. REVALUATION RESERVE

Revaluation reserve arising from the revaluation of land and buildings:

Balance at beginning of year	471 158	471 158	913 215
	471 158	**471 158**	**471 158**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

13. GRANTS

Grants include specific allocations made by the Ministry for training, accommodation, subsistence, university fees, student allowances against specific fund accounts shown as liabilities in the balance sheet, and allocations made from the centenary and thanks giving funds for various denomination projects, and supplementary pension and medical aid subsidies (i.e EE Coutts, various bursary allocations to be drawn on as and when required, ministerial training, ministerial formation, The FEDSEM educational fund, centenary and thanks giving funds).

14. REVENUE

	2011	2010	2009
Donations and bequests	290 065	454 803	587 921
Rental income	500	1 000	3 000
Book sales	338 565	194 651	194 332
Assessment fees	8 317 743	8 206 399	7 986 397
	8 946 873	**8 856 853**	**8 771 650**

15. OPERATING DEFICIT

Operating (deficit)/surplus for the year is stated after accounting for the following:

	2011	2010	2009
Operating lease charges			
Premises			
• Contractual amounts	-	-	50 662
Loss on sale of assets	(68 936)	-	(3 376)
Depreciation on property, plant and equipment	221 484	224 181	163 107
Employee costs	3 971 833	3 455 141	3 141 229

Included in employee costs is an amount of R157 643 in respect of expenses of fees for pension administration.

16. INVESTMENT REVENUE

	2011	2010	2009
Dividend and interest revenue			
Loans	34 267	33 669	-

17. FINANCE COSTS

	2011	2010	2009
Available for sale debt instrument	-	3 000	-
Finance costs - restricted purpose funds	-	8 797	451 917
	-	**11 797**	**451 917**

18. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - 2011

	Gross	Tax	Net
Available-for-sale financial assets adjustments			
Investment held	1 183 212	-	1 183 212
	1 183 212	-	**1 183 212**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

18. OTHER COMPREHENSIVE INCOME (continued)

Components of other comprehensive income - 2010

	Gross	Tax	Net
Available-for-sale financial assets adjustments			
Investment held	138 445	-	138 445
	138 445	-	**138 445**

Components of other comprehensive income - 2009

	Gross	Tax	Net
Available-for-sale financial assets adjustments			
Investment held	(2 021 277)	-	(2 021 277)
	(2 021 277)	-	-

19. AUDITORS' REMUNERATION

	2011	2010	2009
Audit fees (includes the audit of the UPCSA Pension Funds)	300 232	304 612	300 755

20. CASH USED IN OPERATIONS

	2011	2010	2009
Surplus for the year	(3 279 376)	(2 491 771)	(1 588 187)
Adjustments for:			
Depreciation on property, plant and equipment	221 484	224 181	163 107
Deficit/(surplus) on sale of assets	68 936	-	3 376
Interest income	(34 267)	(33 669)	-
Finance costs	-	11 797	451 917
Changes in working capital:			
Inventories	(173 701)	-	-
Trade and other receivables	(39 723)	(629 418)	(547 969)
Trade and other payables	(71 528)	449 000	1 032 806
	(3 308 175)	**(2 469 880)**	**(484 950)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2011	2010	2009

21. RELATED PARTIES

Relationships

Key management personnel — The church collects subscriptions for Medical Aid and contributions for Pension Funds on behalf of its ministers.

Related party balances

	2011	2010	2009
Balances - owing by related parties			
Trust investment - Guild Cottage	2 409 370	2 297 567	2 168 733
The Sedibeng Trust	-	-	33 951
Church extensions loans	404 062	491 177	534 666
The Kwini Retirement Project	-	75 000	75 000
Balances receivable from ministers			
Medical aid contributions	49 735	109 897	95 612
Income received from various Presbyterian ministries			
Assessment income	8 317 744	8 206 399	7 953 912

22. PRIOR PERIOD ERRORS

It was noted during the year that fraudulent expenditure for personal benefit was incurred by the former Chief Financial Officer in the current and prior financial years. A forensic audit was performed and expenditure isolated and restated from the identified Statement of Comprehensive Income to the loan of the former Chief Financial officer.

It was also noted that prior years investment revenue was realised to the Statement of Comprehensive Income. This investment revenue is attributable to the special purpose funds held within the church and should therefore have been capitalised to these special purpose funds in prior years.

The correction of the errors results in adjustments as follows:

	2011	2010	2009
John Vieira			
Trade and other receivables	1 259 181	1 259 181	637 772
Retained earnings	(1 259 181)	(637 772)	(41 505)
Profit and loss	-	(621 409)	(596 267)
Restricted Purpose Funds			
Restricted purpose funds	(3 853 403)	(3 853 403)	(2 784 949)
Trade and other payables	(309 304)	(309 304)	(263 109)
Retained earnings	4 162 707	3 048 058	-
Profit and loss	-	1 114 649	3 048 058

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

DETAILED STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note	2011	2010	2009
REVENUE				
Donations and bequests		290 065	454 803	587 921
Rental income		500	1 000	3 000
Book sales		338 565	194 651	194 332
Assessment fees		8 317 743	8 206 399	7 986 396
	14	**8 946 873**	**8 856 853**	**8 771 649**
Gross surplus		**8 946 873**	**8 856 853**	**8 771 649**
OTHER INCOME				
Recoveries		113 936	43 488	-
Fund transfers		120 000	120 000	120 000
Other income		-	16 000	198 198
Interest received	16	34 267	33 669	-
		268 203	**213 157**	**318 198**
Expenses (Refer to page 21)		**(12 494 452)**	**(11 549 984)**	**(10 226 118)**
Operating surplus	15	**(3 279 376)**	**(2 479 974)**	**(1 136 271)**
Finance costs	17	-	(11 797)	(451 917)
Deficit for the year		**(3 279 376)**	**(2 491 771)**	**(1 588 188)**

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA
(Registration number MM 0021/01/04)
Annual Financial Statements for the year ended 31 December 2011

DETAILED STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note	2011	2010	2009
OPERATING EXPENSES				
Administration and management fees		310 738	486 209	964 555
Assembly		20 410	-	-
Auditors' remuneration	19	300 232	304 612	300 755
Bad debts		(114 382)	155 947	(596 627)
Bank charges		97 002	81 648	82 947
Bursaries		962 521	1 136 502	546 092
Committee expenses - including travel		1 241 001	1 786 632	1 528 974
Computer expenses		8 107	(10 720)	(882)
Conference costs		105 043	213 570	517 344
Consultative Committee		2 415	-	-
Consumables		8 400	-	-
Depreciation		221 484	224 181	163 107
Employee costs		3 971 833	3 455 141	3 141 229
Grants	13	1 421 500	1 375 101	1 104 368
Insurance		110 894	58 859	147 202
Lease rentals on operating lease		-	-	50 662
Legal expenses		724 621	143 085	210 020
Loss on disposal of assets		68 936	-	3 376
Ministers and Spouses retreat		423 985	-	-
Moderator costs		272 147	404 768	350 095
Motor vehicle expenses		87 175	132 170	122 855
Printing and stationery		309 980	354 713	362 843
Provision for loss: John Vieira		710 633	-	-
Repairs and maintenance		358 084	457 430	403 777
Resource purchases		273 528	179 391	188 538
Retrenchments		-	20 696	-
Secretarial fees		-	-	7 000
Subscriptions		2 000	3 000	38 967
Sundry expenses - ministry and committees		362 638	320 681	314 057
Telephone and fax		233 527	266 368	274 864
		12 494 452	**11 549 984**	**10 226 118**