

THE UNITING PRESBYTERIAN CHURCH IN SOUTHERN AFRICA

(REGISTRATION NUMBER 18/11/13/1612)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

INDEX

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

	Page
Financial Committee's Responsibilities and Approval	2
Independent Auditors' Report	3 - 5
Statement of Financial Position	6
Statement of Surplus or Deficit and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 13
Notes to the Financial Statements	14 - 20
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Statement of Surplus or Deficit	21

Preparer

RSM South Africa Inc.
Registered Auditors
Louis Quintal CA (SA) RA
Director

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

FINANCIAL COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The finance committee is required to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The 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 finance committee acknowledges that it is ultimately responsible for the system of internal financial control established by the church and place considerable importance on maintaining a strong control environment. To enable the finance committee to meet these responsibilities, the finance 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's 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 finance committee is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

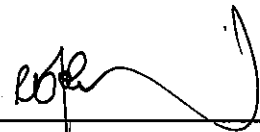
The finance committee has reviewed the church's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, they are satisfied that the church has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the church's financial statements. The financial statements have been examined by the church's external auditors and their report is presented on pages 3 to 5.

The financial statements set out on pages 6 to 20, which have been prepared on the going concern basis, were approved by the Finance Committee and were signed on its behalf by:



Chief Financial Officer



General Treasurer

2019/02/12

Date

2019/02/12

Date

RSM South Africa Inc.
2016/324649/21
Executive City
Cross Street & Charmaine Ave
President Ridge, Randburg 2194
PO Box 1734, Randburg 2125
Docex 51, Randburg
T +27 11 329 6000
F +27 11 329 6100
www.rsmza.co.za

INDEPENDENT AUDITORS' REPORT

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

Qualified opinion

We have audited the financial statements of The Uniting Presbyterian Church in Southern Africa set out on pages 6 to 20, which comprise the Statement of Financial Position as at 30 June 2018, and the Statement of Surplus or deficit and other comprehensive income, statement of changes in equity and 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, except for the possible effect of the matters described in the basis for qualified opinion section of our report, the Financial Statements present fairly, in all material respects, the financial position of The Uniting Presbyterian Church in Southern Africa as at 30 June 2018, 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 Companies Act of South Africa.

Basis for qualified opinion

Assessment receipts and bequests

The accounting policy of the organisation is to recognise all assessment receipts and bequests in the statement of comprehensive income when received. However, the International Financial Reporting Standard for Small and Medium-sized Entities requires such income to be recognised when, amongst others, the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the entity. Transactions that do comply with these conditions should therefore have been recognised when they accrued to the organisation, and not only when received.

Receipts from donation income

In common with similar organisations, it is also not feasible for the organisation to institute accounting controls over cash receipts from donation income prior to the initial entry of the receipts in the accounting records. We performed procedures over those donations that were actually recorded but, due to the inherent limitations, it was impractical for us to extend the examinations beyond receipts actually recorded. We are therefore unable to conclude as to whether or not all the donations that were received were actually recorded accurately and completely in the correct period.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Directors: E Bergh, B Com (Hons), CA(SA), C D Betty, B Acc, CA(SA), A Bignaut-de Waal, B Com, B Compt (Hons), M Com (FORP), CA(SA), M G Q de Faria, B Bus Sc, CA(SA), B J Eaton, B Acc, H Dip Tax Law, CA(SA), A C Galloway, B Sc Mech Eng, CA(SA), H Heymans, B Compt (Hons), M Com, FCCA, CA(SA), N C Hughes, B Compt (Hons), PG Cert Adv Tax, CA(SA), J Jones, B Com, B Acc, H Dip Tax Law, H Dip Int Tax Law, CA(SA), J Kitching, B Compt (Hons), CA(SA), B Kool, B Compt (Hons), M Com (GFA), CA(SA), L Mac Donald, B Compt (Hons), CA(SA), L Quintal, B Com (Hons), CA(SA), R Rawoot, B Compt (Hons), CA(SA), P D Schulze, B Acc Sc (Hons), PG Dip Tax Law, CA(SA), M Steenkamp, B Compt (Hons), CA(SA), L M van der Merwe, B Com (Hons), CA(SA), A D Young, B Compt (Hons), CA(SA)

RSM South Africa Inc. Registration No. 2016/324649/21, Practice No. 900435 is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Property, plant and equipment

Deed searches noted properties in the name of the church which are not recorded in the financial statements and the values are unknown. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness, valuation and classification of the property disclosed in the financial statements.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the church 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 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.

Responsibilities of the finance committee for the financial statements

The finance committee 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 Companies Act of South Africa, and for such internal control as the finance committee 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 finance committee is responsible for assessing the church'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 finance committee either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 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 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 church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the finance committee.

- Conclude on the appropriateness of the finance committee'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 church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the church 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 finance committee 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.

RSM South Africa Inc.

RSM South Africa Inc.

Eckard Bergh
Chartered Accountant (SA)
Registered Auditor
Director

Date *25/02/2019*

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

Figures in Rand	Note	2018	2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	5 175 874	3 201 723
Loans receivable	3	121 537	201 508
Investments	4	34 680 359	33 397 151
		39 977 770	36 800 382
Current Assets			
Inventories	5	249 693	381 948
Loans receivable	3	354 571	166 524
Trade and other receivables	6	922 248	492 135
Cash and cash equivalents	7	6 127 437	7 670 869
		7 653 949	8 711 476
Total Assets		47 631 719	45 511 858
EQUITY AND LIABILITIES			
EQUITY			
Reserves	10	2 040 863	790 654
Retained income		15 850 168	15 566 822
		17 891 031	16 357 476
LIABILITIES			
Non-Current Liabilities			
Restricted purpose funds	8	23 857 156	23 103 355
Current Liabilities			
Trade and other payables	9	5 883 532	6 051 027
Total Liabilities		29 740 688	29 154 382
Total Equity and Liabilities		47 631 719	45 511 858

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

Figures in Rand	Note	2018	2017
Revenue	11	12 987 232	12 993 405
Other income		-	811 186
Operating expenses		(12 823 263)	(13 447 218)
Operating surplus	12	163 969	357 373
Investment revenue	13	119 377	117 872
Surplus for the year		283 346	475 245
Other comprehensive income:			
Available-for-sale financial assets adjustments	17	1 250 209	(452 731)
Total comprehensive surplus for the year		1 533 555	22 514

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

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
Balance at 01 July 2016	1 243 385	471 158	1 714 543	14 620 419	16 334 962
Surplus for the year	-	-	-	475 245	475 245
Other comprehensive deficit	(452 731)	-	(452 731)	-	(452 731)
Total comprehensive deficit for the year	(452 731)	-	(452 731)	475 245	22 514
Transfer between reserves	-	(471 158)	(471 158)	471 158	-
Total changes	-	(471 158)	(471 158)	471 158	-
Balance at 01 July 2017	790 654	-	790 654	15 566 822	16 357 476
Surplus for the year	-	-	-	283 346	283 346
Other comprehensive surplus	1 250 209	-	1 250 209	-	1 250 209
Total comprehensive deficit for the year	1 250 209	-	1 250 209	283 346	1 533 555
Balance at 30 June 2018	2 040 863	-	2 040 863	15 850 168	17 891 031

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

STATEMENT OF CASH FLOWS

Figures in Rand	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) generated from operations	14	(171 260)	704 320
Interest income		119 377	117 872
Net cash from operating activities		(51 883)	822 192
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(2 104 274)	(25 696)
Sale of property, plant and equipment		-	1 450 000
Net movement in investments		(33 000)	(875 226)
Net cash from investing activities		(2 137 274)	549 078
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in restricted purpose funds		753 801	(344 429)
Movements in loans receivable		(108 076)	(258 368)
Net cash from financing activities		645 725	(602 797)
Total cash movement for the year		(1 543 432)	768 473
Cash at the beginning of the year		7 670 869	6 902 396
Total cash at end of the year	7	6 127 437	7 670 869

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

ACCOUNTING POLICIES

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 of South Africa. The financial statements have been prepared on the historical cost basis, except where otherwise stated, and incorporate the principal accounting policies as set out below. They are presented in South African Rand.

These accounting policies are consistent with those of the previous period.

1.1 PROPERTY, PLANT AND EQUIPMENT

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

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

Property, plant and equipment are 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.

Property, plant and equipment are 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	Average useful life
Buildings	50 years
Furniture and fixtures	6 years
Motor vehicles	5 years
IT equipment	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.

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

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.

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 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.

1.5 IMPAIRMENT OF ASSETS

The church assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset is 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.

If the recoverable amount of an asset is less than the 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 surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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 surplus or deficit.

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

ACCOUNTING POLICIES

1.6 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.

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-accumulated absences, when the absence occurs.

Defined contribution plans

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

1.7 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 settled 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 the church 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.

1.8 REVENUE

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

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

1.9 BORROWING COSTS

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

1.10 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.

**The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018**

ACCOUNTING POLICIES

1.11 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 earned 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: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
2. PROPERTY, PLANT AND EQUIPMENT						
Land and buildings	5 267 240	(460 728)	4 806 512	3 452 570	(388 931)	3 063 639
Furniture and fixtures	70 015	(70 015)	-	70 015	(70 015)	-
Motor vehicles	135 630	(56 513)	79 117	135 630	(29 387)	106 243
IT equipment	240 824	(218 542)	22 282	230 728	(198 887)	31 841
Capital work in progress	267 963	-	267 963	-	-	-
Total	5 981 672	(805 798)	5 175 874	3 888 943	(687 220)	3 201 723

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land and buildings	3 063 639	1 826 215	(11 545)	(71 797)	4 806 512
Motor vehicles	106 243	-	-	(27 126)	79 117
IT equipment	31 841	10 096	-	(19 655)	22 282
Capital work in progress	-	267 963	-	-	267 963
	3 201 723	2 104 274	(11 545)	(118 578)	5 175 874

Details of properties

PARKTOWN PROPERTY

Parktown Erf 257, Parktown		
- Purchase price: 2009	3 104 880	3 104 880
- Additions since purchase or valuation	336 145	336 145
	3 441 025	3 441 025

KLIPSPRUIT PROPERTY

Klipspruit Manse, Erf 1401, Pimville Zone 1		
- Purchase price	11 545	11 545
- Disposal	(11 545)	-
	-	11 545

GATEWAY PROPERTY

Glen Marais, Erf 461, Kempton Park		
- Purchase price:	1 826 215	-

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
3. LOANS RECEIVABLE		
LOAN RECEIVABLE BALANCE CONSISTS OF THE FOLLOWING		
Church Extention and Aid Loans	177 825	388 723
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 are 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.		
Guild Cottage Loan	318 571	140 407
Loan is unsecured, interest free, and has no fixed terms of repayment.		
Minister's Loan	108 330	134 447
Loan is unsecured, interest free, and is repayable in equal instalments of R3 000 per month.		
	604 726	663 577
Impairment of loans	(128 618)	(295 545)
	476 108	368 032
<hr/>		
Non-current assets	121 537	201 508
Current assets	354 571	166 524
	476 108	368 032
<hr/>		
4. INVESTMENTS		
AVAILABLE FOR SALE FINANCIAL INSTRUMENTS AT FAIR VALUE		
Unit trusts - Oikocredit	461 028	451 527
Unit trusts - Foord Balanced Fund	34 219 331	32 945 624
	34 680 359	33 397 151
<hr/>		
Fair values are determined annually at balance sheet date based on open market value.		
5. INVENTORIES		
Church resources	272 785	403 415
	272 785	403 415
Inventories (write-downs)	(23 092)	(21 467)
	249 693	381 948
<hr/>		
6. TRADE AND OTHER RECEIVABLES		
Prepayments	779 696	271 830
Deposits	6 298	6 298
Other receivables	136 254	214 007
	922 248	492 135
<hr/>		

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
7. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	13 433	17 369
Bank balances	6 114 004	7 653 500
	6 127 437	7 670 869

The Uniting Presbyterian in Southern Africa has a facility of R255 000 from Standard Bank which is reviewable annually in April of every year.

8. RESTRICTED PURPOSE FUNDS

Restricted purpose funds comprise donations and bequests which are to be used for specific purposes only. Donations 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 are offset against the liability.

Reserve exchange	43 338	42 314
Justice and Social Development Funds	825 885	837 698
Church Growth Funds	346 404	338 210
CWM Mission Program Support Fund *	1 228 857	288 421
EE Coutts Funds	5 850 659	6 021 183
Presbyterian education/bursary funds	2 099 988	1 905 609
Century Thanks Giving Fund	518 880	541 931
Robert Niven Trust	19 998	26 208
Alexander and Mary Robertson Kerr Memorial Fund	1 867 656	1 745 782
External Mission Fund	63 681	66 619
Fedsem Educational Fund	456 274	445 482
J A Swan Will Trust	987 781	964 417
Mission Priorities	2 267 685	2 267 587
R B Haggart Medical Help Fund	387 738	103 389
Minister car loans	2 059 034	2 010 332
Guild Cottage Trust Fund	589 049	432 179
Sunday Schools Trust Fund	15 102	8 478
Ministry Funds	762 592	1 003 591
K M C Duncan Legacy Will Trust	1 552 720	1 515 993
Merge of old Funds	889 510	880 591
HHK Currie Fund	223 191	217 912
Andrew Smith Bursary Trust	525 298	512 873
Motsepe Foundation	131 886	837 391
Children's Ministry	91 326	89 165
Zambian Conference	(13 206)	-
Grant for Girls Sanitary Wear	65 830	-
	23 857 156	23 103 355

*Below details a reconciliation of the CWM Mission Program Support Fund:

Reconciliation:		
Opening balance	288 421	713 375
Income received	1 334 558	-
Interest	18 399	12 622
Expenditure	(412 521)	(437 576)
	1 228 857	288 421

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
9. TRADE AND OTHER PAYABLES		
Non trade payables and accrued expenses	462 616	651 234
Pension fund - loss of returns	-	372 193
Long leave fund	2 842 197	2 542 833
Other payables	682 405	552 672
Accrued leave pay	256 254	280 853
Unallocated deposits	1 640 060	1 651 242
	5 883 532	6 051 027
<p>Unallocated deposits relate to amounts received by the church in respect of the assessment income and Pension Fund Contributions for the UPCSA Pension Fund for which not sufficient information is available to apply such amounts.</p>		
10. AVAILABLE FOR SALE RESERVE		
Balance at beginning of the year	790 654	1 243 385
Other comprehensive income	1 250 209	(452 731)
	2 040 863	790 654
11. REVENUE		
Assessment fees	12 671 047	12 771 068
Resources	312 585	204 337
Rental income	3 600	18 000
	12 987 232	12 993 405
12. OPERATING SURPLUS		
Operating surplus for the year is stated after accounting for the following:		
(Deficit)/Surplus on sale of property	(19 344)	811 186
Pension fund - loss of returns	-	372 193
Depreciation on property, plant and equipment	118 578	125 882
Employee costs - Central Office own expense	3 038 239	2 741 998
Employee costs - Other UPCSA expense	1 306 355	1 486 435
13. INVESTMENT REVENUE		
Interest revenue		
Bank	119 377	117 872

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
14. CASH (USED IN) GENERATED FROM OPERATIONS		
Surplus before taxation	283 346	475 245
Adjustments for:		
Depreciation	118 578	125 972
Deficit/(Surplus) on sale of assets	19 344	(811 186)
Interest received	(119 377)	(117 872)
Changes in working capital:		
Inventories	132 255	(6 721)
Trade and other receivables	(430 113)	454 665
Trade and other payables	(175 293)	584 217
	(171 260)	704 320

15. CONTINGENCIES

A third party is currently in the process of suing The Uniting Presbyterian Church together with another person for R1 000 000 for defamation of character. Management and their advisors cannot determine if the law suit will be successful, and are unable to reliably determine the amount of penalties and damages that may be payable.

Further to above, there is currently an appeal in progress against the writ of eviction that was received from the High Court of South Africa which stated that the Presbyterian Church of Southern Africa was evicting the incorrect third party from Rainy Mission. Management is uncertain of the outcome of the appeal.

16. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - 2018

	Gross	Tax	Net
Mark-to-Market movement on investment			
Investment held	1 250 209	-	1 250 209

Components of other comprehensive income - 2017

	Gross	Tax	Net
Mark-to-Market movement on investment			
Investment held	(452 731)	-	(452 731)

17. 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 when required, ministerial training, ministerial formation, centenary and thanks giving funds).

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2018	2017
18. RELATED PARTIES		
Relationships		
Members of key management	The church collects subscriptions for Medical Aid and contributions for Pension Funds on behalf of its Ministers.	
Related party balances and transactions.		
Related party balances		
Loans owing by related parties		
Church extension and aid loans	177 825	388 723
Minister's loan	108 330	134 447
Guild Cottage loan	318 571	140 407
Amounts receivable from Ministers		
Medical Aid contributions	19 843	6 592
Assessment income received from various Presbyterian Ministries		
Assessment income	12 671 047	12 771 068

19. COMPARATIVE FIGURES

Sundry loans have been reclassified in the current year to loan receivables in order to accurately disclose the current and non current recovery of the loan.

The effects of the reclassification are as follows:

Statement of Financial Position

Loans receivable - Non-current assets	-	108 330
Loans receivable - Current assets	-	26 117
Trade and other receivables	-	(134 447)

**The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. ASSOCIATION INFORMATION

Domicile:

South Africa

Legal form of entity:

Association

Country of incorporation:

South Africa

Business address:

28 Rhodes Avenue

Parktown

JOHANNESBURG

2193

Nature of business:

Public benefit organization.

The Uniting Presbyterian Church in Southern Africa
(Registration number: 18/11/13/1612)
Annual Financial Statements for the year ended 30 June 2018

DETAILED STATEMENT OF SURPLUS OR DEFICIT

Figures in Rand	Note	2018	2017
Revenue			
Assessment fees		12 671 047	12 771 068
Resources		312 585	204 337
Rental income		3 600	18 000
	11	12 987 232	12 993 405
Other income			
Gains on disposal of assets		-	811 186
Interest received	13	119 377	117 872
		119 377	929 058
Operating expenses			
Administration and management fees		(126 701)	(256 085)
Auditors' remuneration		(235 633)	(227 838)
Bank charges		(123 809)	(102 983)
Bursaries		(1 410 779)	(1 324 007)
Committee expenses - including travel		(2 290 589)	(3 079 245)
Computer expenses		(7 062)	(949)
Conference costs		(720)	(50 753)
Consultative Committee		(3 119)	(24 819)
Depreciation, amortisation and impairments		(118 578)	(125 882)
Employee costs - Central office own expense		(3 038 239)	(2 741 998)
Employee costs - Other UPCSAs expense		(1 306 355)	(1 486 435)
Grants		(1 367 803)	(942 802)
IT expenses		(133 058)	(167 282)
Insurance		(64 990)	(52 407)
Legal expenses		(432 410)	(367 946)
Ministry retreat		(182 467)	(12 000)
Moderator costs		(209 976)	(160 657)
Motor vehicle expenses		(87 192)	(74 004)
Pension fund - loss of returns		-	(372 193)
Printing and stationery		(253 893)	(297 746)
Repairs and maintenance		(112 303)	(196 642)
Reserve exchange		(83 067)	(112 692)
Resource purchases		(364 046)	(224 987)
Subscriptions		(82 107)	(80 997)
Sundry expenses - Ministry and committees		(507 364)	(652 205)
Surplus and deficit on exchange differences		-	(48 099)
Deficit on sale of assets and liabilities		(19 344)	-
Telephone and fax		(143 439)	(144 401)
Training		(16 169)	(792)
Transport and freight		(102 051)	(118 372)
		(12 823 263)	(13 447 218)
Surplus for the year		283 346	475 245

The supplementary information presented does not form part of the annual financial statements and is unaudited.

