

SOUTH AFRICAN CONGREGATION

Report and Financial Statements

31 December 2020

Company number: 08413216

Charity registration number: 1151071
(Registered in England and Wales)

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CORPORATE INFORMATION

Charity name

South African Congregation

Registrations

Company number: 08413216

Registered with Charity Commission for England and Wales - Charity registration number: 1151071

Directors

Willem Beumer

Thinus Buchner

Susanna Coetzer

Etienne Gouws

Frans Hamman

Johan Nell

Charl Steyn

Hanlie Swart

Jacobus Theron

Morne van den Berg

Jacobus Louis van Pletsen

Wynand Viljoen

Marius Vermaak

Appointed

11 May 2020

Resigned

20 May 2020

Company secretary

Rian S Steyn

Registered address

Applegarth

34 Pinewood Gardens

Southborough

Tunbridge Wells

Kent

TN4 0NN

Bankers

HSBC Bank Plc

65 Packhorse Road

Gerrards Cross

Buckinghamshire

SL9 8PH

Auditors

David Howard Chartered Accountants

1 Park Road

Hampton Wick

Kingston upon Thames

Surrey

KT1 4AS

Website

www.SAGemeente.com

TRUSTEE DIRECTORS' REPORT

The Trustee Directors present their report on the company for the year ended 31 December 2020 which are also prepared to meet the requirements of a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The company was incorporated on 21 February 2013 for the public benefit, with the objective to advance the Christian faith in the United Kingdom or the world, as the Trustees may decide from time to time, and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with charitable work of the Charity.

On 1 August 2013 the charitable trust, South African Congregation, that was created on 24 September 1994, transferred all its assets, liabilities, reserves and activities to the Company, where after the charitable trust was deregistered.

The Charity is established to advance the Christian religion in the United Kingdom and elsewhere in accordance with its fundamental beliefs that are essentially based on the Reformed Confession. The South African Congregation is committed to:

- enabling as many people as possible to worship at our church service and to become part of the activities of the church;
- support a number of missions and other charities inside and outside of England, with the main goals of spreading the gospel to all groups and nations and to support individuals and groups;
- work with the local communities and action groups in the areas where the Charity has church services.

The congregation consists of confessing members and their children, living within the United Kingdom.

When planning the Charity activities for the year, the South African Congregation considered the Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. In particular, we endeavour to enable ordinary people to live out their faith as part of the community through:

- worship and prayer;
- learning about the Gospel;
- developing their knowledge and trust in Jesus;
- provision of pastoral care for members and others in need; and
- Missionary and outreach work.

Achievements and performance

At the beginning of 2020, the world has been hit with the unprecedented lockdown of activities and suspension of all movement of people in an effort to prevent the spreading of the COVID-19 virus. This continued at different levels of intensity from March 2020 and is still continuing into 2021.

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The trustees of the Charity have suspended all public activities at a Trustees' meeting on 15 March 2020, more than a week before the UK Government decided on a lockdown, which started on 23 March 2020. All activities, such as church services and meetings, were immediately replaced by streaming services, pre-recorded church services that are distributed weekly to all congregation members and others on the Charity mailing lists. Communication with congregation members is maintained via e-mails, WhatsApp, the Charity website and an App downloadable to smartphones and tablets. Zoom has been used extensively for meetings and church services. These actions enabled the Charity to maintain effective communication with all members and interested parties and still achieve its objective to advance the Christian faith in the United Kingdom and other places in the world.

Despite the lockdown and no church gatherings, contributions from members for the financial year to 31 December 2020 exceeded the budget, although it is slightly down on 2019. However, the financial hardship that are following and will still follow the various lockdowns and measures, may have some adverse impact on the contributions in the future. It already has and will continue to increase the need for support of members and the wider community as more and more people are affected by the impact of the various lockdowns, other actions taken and the weakening of the economy and job opportunities.

The Charity will continue to operate within the constraints as set out in Government guidance and as it is updated from time to time. The end of the lockdowns and the vaccination programme being implemented and expected to be completed in the first half of 2021, does not mean the immediate end of the COVID-19 crisis and it is likely that some measures will continue for some time. These uncertainties make it impossible to predict when the Charity will be able to return to a pre-lockdown scenario.

The Charity continued with the services of three full time ministers: Dr Rian Steyn responsible for the London ward, Dr Ferdie Clasen responsible for the South ward and Rev Andre Harmzen responsible for the North ward. The Charity also employed a minister on a part time basis to assist with church services and other tasks in Edinburgh.

The Charity is registered mainly to assist the members of the congregation and to participate in activities of similar charities in the local community. All activities at the South African Congregation are by the members and for the members, whether it is church services, training, camps, small group meetings or any of the outreach activities. All these activities are performed by the members on a voluntary basis and only specific appointed employees are remunerated. Only members of the congregation are used for activities. The Charity solely relies for its funding on the financial contribution from its members; the general public and institutions have never been approached for financial assistance or for grants.

As part of the Charity's activities, it makes contributions in time, effort and financial support to other Charities with similar objectives. The Charity, through the different wards and through its members, is also actively involved in a number of activities in the local communities. These activities could be driven by the Charity, or it could be in association with other charities, projects or schools and could cover any activity, such as youth projects, fund raising, feeding projects, food banks or outreach activities.

The charity has performed well over the years as evidenced by the numbers of members of the congregation, the number of activities in the congregation supported by its members and the participation in community activities and other missions. The funding of the Charity has also been highly successful and for many years a surplus had been registered. This helped building reserves, without the need to approach the general public for funds. Membership numbers decreased from a peak reached around 8 year ago, due to the significant lower inflow of South Africans into the UK, members returning to South Africa and some moving to other parts of the

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world. The membership numbers were reasonable stable over the last 3 years - around 1,200 active members. Contributions of restricted and unrestricted funds by members to the Charity is also stable at £457,226 (2019: £469,246 and 2018: £462,506).

Until the lockdown in March 2020, the church services and activities were as follows:

The London ward had its base at David Game College at 31 Jewry Street and conducted Sunday services every Sunday, except for the first Sunday of every month. The activities of London ward continued as in the past, which include training lectures and evangelical outreach projects.

The church services of the North ward included two services per month each at Loughton and Birmingham, with one service per month in Edinburgh. South African Congregation North ward and the Loughton Baptist Church share the Loughton Baptist Church facilities and worked together on activities and combined efforts in the local community. This improved connections and links to the local community, while it is helping the Baptist church with relieving some of their financial pressures.

The South Ward had two church services per month each in Guildford and Maidstone.

Other activities than church services are mainly focused on supporting small groups who now still meet on a regular basis, but via Zoom, for worship and Bible study. This increase the geographical reach and help to involve others who may not be members of the Charity. Many of the activities of the past, such as Christian Breakfast meetings, Integrated Leadership Development with focus on the interpretation of the Bible, discussion groups and training events, had to be postponed and some cancelled as a result of the lockdown restrictions.

At the end of December 2020, the Charity had 3 full time and 8 part time employees (including the ministers), with the full time equivalent of around 7.0 (2019: 7.3) posts. This was slightly down from the 3 full time (2018: 4) and 9 (2018: 10) part time employees at December 2019 and was implemented as steps to reduce the running costs of the Charity. The employees were responsible for the management and administration of all activities, accounting for the charity and managing the database and website. The preparation and editing of the church services via the internet required a significant investment in time and effort over the last year

As noted above, the main purpose of the Charity is to advance the Christian religion in the United Kingdom, and especially for Afrikaans speaking South Africans. The high membership of the congregation and the level of participation in its activities demonstrate the need for such a Charity. The church and worship services were also attended by a number of English-speaking people; live translation services were available at each service. Since lockdown, the church service of London ward is also every week available in English.

The different wards of the church interact with local charities and together they develop strategies to reach out to local communities and to participate in local events, where it was still possible. The Covid-19 regulations, however, limited the opportunities to continue with combined projects and to serve the needs of the local communities and schools. Alternative ways to help and support the communities were investigated and contributions to foodbanks and other in need, continued. Helping those in need is a demonstration of our faith.

The South African Congregation is a member of the Evangelical Alliance.

The trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on public benefit.

Financial review

The total unrestricted collections and donations for the 2020 financial year amounted to £433,582 (2019: £453,468). The contributions in respect of restricted funds were £23,644 (2019: £15,778), while Gift aid contributed £93,812 (2019: £93,295) and interest £380 (2019: £746). Activities and events income amounted to £4,432 (2019: £21,902).

As a result of the lockdown restrictions, many activities and events had to be postponed and/or cancelled, leading to reduced expenses incurred in the current year. After expenses in respect of unrestricted funds of £483,036 (2019: £569,442), the Church recorded a surplus of £53,420 (2019: £8,219). Expenses in respect of restricted funds amounted to £19,078 (2019: £17,220), resulting in a surplus of £4,566 (2018: deficit of £1,442). The financial position remains strong, with cash resources of £291,049 (31 December 2019: £218,357).

The Trustees do not foresee any material change in the activities of the Charity compared to 2019 or 2020: If the lockdown restrictions continue, the model as for the last 9 months of 2020 will continue; if the lockdown restrictions are lifted and the Charity can return to the pre-lockdown way of operation, the activities as in 2019 will continue. The Trustees do envisage a continuation of the church services being available not only at the different places of worship, but also via the internet. There were a number of people from different places in the world that started to tune in to these services and it also provides the opportunity for people to listen to a service although they do not live close enough to attend a church service.

The execution of the strategy and the places where and how the Charity provide services to its members, is assessed annually at a strategic planning meeting where the latest information about members, contributions, Government policy on visas and work permits and other factors impacting on the Charity, are considered. A risk register is maintained to assist the Trustees with this evaluation. From this forum, short-term and medium-term plans are developed.

The Charity reports in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Reserves and funds

Reserves consist of all retained income available to the Charity and exclude the designated funds and the restricted funds. The reserves of the Church are considered to be sufficient for the short and medium term. However, due to the fact that all the Charity activities are mainly funded from weekly and monthly donations from the congregation members, it is considered prudent that the Charity should maintain reserves that are sufficient to support at least one year's planned activities. The charity also bought properties which act not only as accommodation for the ministers, but also serve as offices for the different wards. The purchase prices of the properties, in excess of depreciation, was also funded by the accumulated reserves.

Designated funds are set up to provide sufficient reserves to fund all costs of returning the full-time ministers to South Africa, in accordance with their employment contracts. The general unrestricted reserves at year-end amount to £2,294,560 (2019: £2,241,140).

Plans for future periods

As part of the annual strategic planning done by the Trustees, an assessment is made of the membership, the contributions by the members and the main areas where members live,

against the places where Sunday services are held and the facilities that are available at these places of worship. Total membership numbers and contributions stabilised but there are also some movement in the membership numbers between the different wards. The main considerations of the Trustees are the ongoing financial sustainability of the Charity in total, but also of each of the places of worship.

Sufficient reserves and an adequate cash balance provide comfort that the activities can continue for the short to medium term. Depending on trends in membership and contributions, the Trustees have the options of either closing one or more of the places of worship, or consolidating them, and/or reallocate the resources between the different places of worship. It is also possible for some activities to be scaled back at one or more of the places of worship. A further option is to sell one of the properties owned by the Charity, thereby turning the reserves into cash. This is a continuing assessment and evaluation and the current level of available reserves and funds should provide sufficient support during the time of the implementation of any such decisions.

Structure, Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on the 21st February 2013, and is registered as a charity, since the 5th March 2013. The Company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members.

A Management Committee, consisting of the Trustees and other appointed individuals, manage the activities of the Charity. All members of the Management Committee, except for the full time employed Ministers who are not trustees, give their time voluntarily and receive no remuneration or economic benefits from the Charity.

The Trustees have responsibility for the charitable activities and administration, as well as the control of all assets, funds and properties of the Company. In exercising these responsibilities, Trustees with the required experience, training and skills, are recruited and appointed. Trustees are subject to retirement from office, at least one-third are subject to retire annually, by rotation.

Trustees' induction and training

All Trustees and members of the Management Committee are active participants of the South African Congregation church and therefore of the Charity. This has the advantage that they are all familiar with the activities, the policies and procedures of the Charity. All the Management Committee members are professionals in different disciplines, ranging from finance, private equity, consulting, IT, project management to trained ministers of religion, with many acting as trustees and/or directors of other charities and companies. Management Committee members are encouraged to frequently review the Charity Commissions' website to understand their responsibilities, the requirements of Trustees and to be aware of new developments. The Charity Commission's website is also used as an on-going training tool.

Risk management

The Management Committee annually conduct a review of the major risks to which the charity is exposed. A risk register has been maintained and is updated where necessary. Where

appropriate, systems and procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all expenses, transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, church members, volunteers and visitors. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity. Where appropriate, risks are covered by insurance. However, in assessing risk, trustees recognise that some areas of its work require the acceptance and management of risk if the key objectives are to be achieved.

The major risks, documented in the risk register, are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to our personnel, members and the general public;
- Financial sustainability, including stability and security of income;
- Achievement of our aims and objectives; or
- Meeting the expectations of our members, mission partners and local charities with whom we serve the local community.

The following framework is central to ensuring adequate risk assurance:

- Regular monitoring of major risks and development of action plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control;
- Review of key systems and procedures;
- Income and profit targets for the different wards, with regular communication to members about the financial position of the Charity;
- Maintaining reserves in line with set policies; and
- Regular discussion on risk management by the Trustees.

Risks are also considered and addressed as part of the annual strategic review. It is further reviewed when the Charity's budget is prepared and also at the regular Trustee meetings where the income, expenses, cash flows and insurance are discussed.

Grants

In accordance with the principles of the Christian faith, the Trustees believe that the advancement of the Christian belief and compassion relief are inextricably linked to each other and cannot be separated. Compassion relief is given to cover urgent costs of members of the congregation during times of need. Likewise, the support of other Christian initiatives and organisations are seen as part of the responsibilities of the congregation. Therefore, in addition to organising the main Church activities, the Charity also provides grants to other institutions that support its aims. These grants are approved by the Trustees and overseen by the Management Committee. Grants provided during the year are shown in note 9 to the accounts.

Investment Powers

The Memorandum of Association authorises the Trustees to make and hold investments using the general funds of the charity. The funds not required for short term funding requirements, were previously kept on money market deposit accounts with the Charity's banker but with the uncertainty about the cash flow during the pandemic, all funds were kept on the current account. No other investments were made. A strategic decision was taken to purchase the properties that are provided to the full-time ministers as residences, as detailed below.

Investment in fixed property

The Trustees believe that the goals of the Charity could be the best served by acquiring the residential properties needed to provide accommodation to the full-time ministers. This eliminates the risk of increasing rentals. The properties are also used by the ministers and administrative managers as offices of the different wards. This ensures a further saving in costs. In addition, such business activities are normally not allowed under a rental agreement.

Going concern

The Charity's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and derivative activities, and its exposures to liquidity and cash flow risk are described in this Trustee Directors' Report.

The Charity has significant reserves and sufficient cash resources, with no debt, which will make it possible to fund the Charity activities. Expenses are also managed, where possible, in line with contributions received. As a consequence, the Trustee Directors believe that the Charity is well placed to manage its business risks successfully given the current economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Trustee Directors' responsibilities

Company and charity law requires the Trustees to prepare the trustees' report and the financial statements in accordance with FRS102 and the charity SORP (FRS 102). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for that period. In doing so, the Trustees are responsible for:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis; and
- The maintenance and integrity of the corporate and financial information included on the charity's website.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Management Committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and

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- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

David Howard was appointed as the charitable company's first auditors and have expressed their willingness to continue in that capacity in accordance with Section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP (FRS102)) and in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

Approval

This report was approved by the Trustees and signed on their behalf by:



Morne van den Berg

Trustee

Date: 15/04/2021

Independent Auditors' Report to the Trustees of South African Congregation

We have audited the financial statements of South African Congregation for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work

**Independent Auditors' Report to the Trustees of South African Congregation
(continued)**

Our 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Philip Lane FCCA
Senior Statutory Auditor**

**For and on behalf of David Howard
Chartered Accountants and Statutory Auditors**

**1 Park Road
Hampton Wick
Kingston Upon Thames
Surrey
KT1 4AS**

Date: 15th April 2021

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Statement of comprehensive income (including Income and Expenditure account) for the year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income:	1c				
Donations and Legacies:					
Collections and donations		433,582	23,644	457,226	469,246
Gift aid claim		93,812	0	93,812	93,295
CJRS grant		11,990	0	11,990	0
Income from Investments		380	0	380	746
Rental income		4,250	0	4,250	8,250
Income from charitable activities		4,432	0	4,432	21,902
Total income		548,446	23,644	572,090	593,439
Expenditure	1d				
Expenditure on charitable activities:					
Missions and evangelical work	9	20,000	19,078	39,078	38,380
Cost of Church activities	10	448,539	0	448,539	518,908
Governance costs	12	26,487	0	26,487	29,374
Total expenditure		495,026	19,078	514,104	586,662
Net income/(expenditure) and net movement in funds for the year	2	53,420	4,566	57,986	6,777
Reconciliation of funds					
Fund balances at 1 January		2,241,140	8,208	2,249,348	2,242,571
Fund balances at 31 December	13	2,294,560	12,774	2,307,334	2,249,348

All the Congregation's operations are classed as continuing.

Movements on reserves and all recognised gains and losses are shown above.

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Statement of Financial Position at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Land	5	1,237,800	1,237,800
Buildings	5	756,555	774,079
Other tangible assets	6	7,457	8,779
		<u>2,001,812</u>	<u>2,020,658</u>
Current Assets			
Debtors	7	40,610	36,812
Cash at bank and in hand		294,725	218,357
Current assets		<u>335,335</u>	<u>255,169</u>
Creditors due within one year	8	(29,813)	(26,479)
Net current assets		<u>305,522</u>	<u>228,690</u>
Total Assets less current liabilities		<u>2,307,334</u>	<u>2,249,348</u>
Net assets	13	<u>2,307,334</u>	<u>2,249,348</u>
Funds			
Unrestricted reserves	14	2,294,560	2,241,140
Restricted reserves	14	12,774	8,208
Total Funds	14	<u>2,307,334</u>	<u>2,249,348</u>

The financial statements are prepared in accordance with the special provisions of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)).

The financial statements on pages 14 to 26 are hereby approved:

Trustee



Name: Mome van den Berg

Date: 15/04/2021

Trustee



Name: CHARL STEYN

Statement of Cash Flow for the year ended 31 December 2020

	Notes	2020 £	2019 £
Net cash (outflow)/inflow from operating activities	15	78,261	34,292
Investing activities			
Interest received		380	746
Payments to acquire tangible fixed assets and improve properties		(2,273)	(2,350)
Net cash flow from investing activities		(1,893)	(1,604)
Increase/(Decrease) in Cash and cash equivalents		76,368	32,688
Cash and cash equivalents at 1 January		218,357	185,669
Cash and cash equivalents at 31 December		294,725	218,357

The financial statements are prepared in accordance with the special provisions of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)).

Notes to the Financial Statements for the year ended 31st December 2020

1. Accounting Policies

a. Basis of preparation

The accounts include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

c. Information and legal status of the charity

The charity is a company limited by guarantee and has no share capital. The charity was incorporated in England and Wales on 21 February 2013, with Company no. 08413216. It was also registered with the Charity Commission for England and Wales on 5 March 2013 with Charity no. 1151071.

The registered office is 34 Pinewood Gardens, Southborough, Tunbridge Wells, TN4 0NN.

d. Income

Donations and legacies: Voluntary gifts and donations and other income are accounted for when received by the charity.

Gift aid: Claims are accounted for on an accruals basis.

CJRS grant: The Coronavirus Job Retention Scheme grant is received in respect of personnel on furlough and is accounted for on an accrual basis.

Charitable activities include all the activities and events arranged by the charity for its members and for which members have to make a payment or a contribution to cover costs or to participate. These include camps, training courses, discussion groups and small groups.

e. Expenditure

Expenditure is accounted for on an accruals basis.

Missions and evangelical work is charged in the year the amount has been committed to.

Cost of church activities includes the salaries of the ministers and the rent of the church buildings. Also included are the expenditure incurred for the different activities performed by the Charity and include costs of youth camps, training, Sunday schools, refreshments, translation services, IT support and maintenance of the website, speakers, prayer groups, music and other activities. They also include the costs of activities and events for which contributions are received from members per note 1c above.

Support costs include the salaries of all employees appointed to assist in ministerial activities, the Ministers' housing costs, travel and communication costs, and other supporting costs.

Governance costs comprise the costs for the running of the charity itself as an organisation and include the cost of the employee responsible for the accounting of the charity.

f. Tangible fixed assets and depreciation

Tangible fixed assets are carried at the lower of cost and net realisable value. All tangible fixed assets transferred from the unincorporated charity, as explained in the Trustees' Report, have been transferred at fair value. All assets purchased in excess of £50 are capitalised and an impairment assessment is completed at each financial year end to ensure that the realisable value is in excess of the carrying value. If not, an impairment write-off is made. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life on a straight-line basis as follows:

Equipment 3-5 years

Furniture and fittings 5 years

Depreciation is provided on buildings at 2% per annum.

g. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity for the period. Contributions are made to defined contribution schemes in South Africa and in the United Kingdom.

h. Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

Restricted funds are those donated for use in a particular area or for a specific purposes, the use of which is restricted to that area or purpose only.

i. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

j. Debtors

Trade and other debtors are recognised at the settlement amount due.

2. Net income/expenditure and net movement in funds for the year

Net income has been derived after charging:

	Year to December 2020	Year to December 2019
	£	£
Depreciation	21,119	21,765
Auditors' remuneration	5,620	7,720

3. Employees

Employee Numbers

The average number of employees during the period were:

	Year to December 2020	Year to December 20189
	<u>Number</u>	<u>Number</u>
Employees	11	12
The full time equivalent of the average number of employees	7	7

Employee costs

	Year to December 2020	Year to December 2019
	<u>£</u>	<u>£</u>
Wages and salaries	267,704	284,137
Social Security costs	18,847	21,227
Other pension costs	53,960	45,403
	<u>340,511</u>	<u>350,767</u>

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands, on an annual equivalent, are:

	Year to December 2020	Year to December 2019
£70,000 to £79,999	2	2

Both higher paid employees, the full time ministers, were accruing pension benefits. The total pension contribution paid for the 2 employees and included in the employee costs above, was £46,494 (2019: £38,656).

No Trustee Director, nor anyone connected with them, except as explained in note 11 below, received any remuneration or benefits from the Charitable Company or had any expenses paid by the Charity during the year.

4. Pension costs

Two of the three full time ministers are members of the Christian Community Pension Fund, a defined contribution fund established and managed by the Dutch Reformed Church in South Africa. All three full time ministers are members of a UK defined contribution pension fund. The total pension contribution made during the year was £50,394 (2019: £45,403).

In accordance with the Pension Act 2008, the company registered for automatic enrolment with National Employment Savings Trust (NEST) and The Pensions Regulator, with a staging date of 1 February 2017 and a re-declaration date of 1 February 2020. Contributions to NEST are made in respect of 6 employees (31 December 2019: 7 employees), with the company contribution amounting to £1,528 (2019: £1,516).

5. Freehold properties

The freehold properties represent the properties at 15 The Hayes, Langley Vale, Epsom Downs, Surrey, KT18 6HB, 16 Baldocks Road, Theydon Bois, Essex, CM16 7EB and Applegarth, 34 Pinewood Gardens, Southborough, Tunbridge Wells, Kent, TN4 0NN. The properties were bought by the Charitable Trust (see Trustees' Report) in December 1997, May 2001 and April 2011 respectively, and transferred to the Company on 1 August 2013.

The properties were transferred to the company on 1 August 2013 at their fair value as at that date, determined by Charl Steyn, a Trustee, using advice and valuations from local estate agents.

	Land £	Buildings	Total £
Cost			
At 1 January 2020	1,237,800	876,176	2,113,976
Additions	0	0	0
At 31 December 2020	1,237,800	876,176	2,113,976
Depreciation			
At 1 January 2020	0	102,097	102,097
Charge for the year	0	17,524	17,524
At 31 December 2020	0	119,621	119,621
Net book value at 31 December 2020	1,237,800	756,555	1,994,355
Net book value at 31 December 2019	1,237,800	774,079	2,011,879

6. Other Tangible Assets

	Fittings & equipment £	Furniture £	Total £
Cost			
At 1 January 2020	34,097	9,649	43,746
Additions	2043	230	2,273
At 31 December 2020	<u>36,140</u>	<u>9,879</u>	<u>46,019</u>
Depreciation			
At 1 January 2020	28,877	6,090	34,967
Charge for the year	2,541	1,054	3,595
At 31 December 2020	<u>31,418</u>	<u>7,144</u>	<u>38,562</u>
Net book value at 31 December 2020	<u>4,722</u>	<u>2,735</u>	<u>7,457</u>
Net book value at 31 December 2019	<u>5,220</u>	<u>3,559</u>	<u>8,779</u>

7. Debtors

	Year to December 2020 £	Year to December 2019 £
HM Revenue and Customs (Gift Aid claim)	27,244	25,017
Other debtors	10,833	10,611
Prepayments and accrued income	2,533	1,184
	<u>40,610</u>	<u>36,812</u>

8. Creditors due within one year

	Year to December 2020	Year to December 2019
	£	£
Accountants' fee	7,000	7,800
Accrued expenses	8,882	4,708
Tax and social security costs	13,931	13,971
	29,813	26,479

9. The Charity made grants to the following institutions during the period:

	Year to December 2020	Year to December 2019
	£	£
Grants from unrestricted funds		
French Children Mission	15,000	15,000
Kanjanji - Zambia	5,000	5,000
Travelling costs in visiting missions	0	1,160
	20,000	21,160

	Year to December 2020	Year to December 2019
	£	£
Grants from restricted funds		
'Koningsoffer' Fund	7,288	8,750
Financial support South	2,900	0
Kanjanji - Zambia	400	0
Kuyasa Fund	8,490	8,470
	19,078	17,220

Total grants from unrestricted and restricted funds	39,078	38,380
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10. Cost of Church activities

	Year to December 2020	Year to December 2019
	£	£
Church activities and events costs		
Ministers' remuneration and pension costs	213,555	223,287
Other remuneration costs	110,562	111,086
Congregational meetings, events and activities	18,109	57,108
Rent – church and other buildings	23,187	37,080
	<u>365,413</u>	<u>428,561</u>
Support costs		
Housing costs	27,236	27,184
General insurance	3,685	3,614
Compassion relief	1,030	0
Travelling expenses	8,436	19,275
Stationery, Calendar, Newsletters, etc.	1,519	2,569
Telephone, internet and relevant costs	6,954	6,170
Staff entertainment	359	1074
Information technology costs	12,788	8,696
Depreciation	21,119	21,765
	<u>83,126</u>	<u>90,347</u>
Total costs	<u>448,539</u>	<u>518,908</u>

11. Related party transactions

During the period the spouses of two ministers (Rian Steyn and Ferdie Clasen) were employed by the charity. The ministers are not trustees. Ronel Steyn and Lizelle Clasen received gross salaries totalling £34,267 for the year (2019: £34,267). Total benefits including pension contributions amount to £37,200 (2019: £37,158). Their appointments have all been made in accordance with the Charity Commissions guidance, and salaries are all at market rates. These appointments were discussed with the Charity Commission prior to the appointments.

12. Governance costs

	Year to December 2020	Year to December 2019
	£	£
Bank charges	2,309	2,635
Audit fees and other sundry items	5,620	7,720
Administrative staff costs	16,394	16,394
Stationery and other costs	2,164	2,625
	26,487	29,374

13. Summary of Net assets by Fund

	Fixed Assets	Net current assets	Total Net Assets
	£	£	£
Unrestricted funds			
General reserve fund	2,001,812	192,748	2,194,560
Designated funds			
Pastor Exchange Fund	0	50,000	50,000
Scaling down reserve	0	50,000	50,000
	2,001,812	292,748	2,294,560
Restricted funds			
'Koningsoffer' Fund	0	9,284	9,284
Financial support - South	0	2,520	2,520
London fund	0	80	80
Kuyasa Fund	0	890	890
	0	12,774	12,774
	2,001,812	305,522	2,307,334

General reserve fund is the balance of funds available for direct allocation and distribution.

Designated funds are those amounts that are set aside to cover the costs of employees who will be expected to return to South Africa at the end of their contracts. Funds are also designated to cover the costs in case of scaling down of activities and retrenching employees.

Restricted funds are those amounts that were donated with the express wishes of the donors that they be contributed to a specific activity or organisation.

14. Statement of Funds

	01/01/2020	Inflow	Outflow	31/12/2020
	£	£	£	£
Unrestricted funds				
General reserve fund	2,141,140	548,446	495,026	2,194,560
Designated funds				
Pastor Exchange Fund	50,000	0	0	50,000
Scaling down reserve	50,000	0	0	50,000
	<u>2,241,140</u>	<u>548,446</u>	<u>495,026</u>	<u>2,294,560</u>
Restricted funds				
'Koningsoffer' Fund	7,288	9,284	7,288	9,284
Financial support - South	0	5,420	2,900	2,520
Kanjanji - Zambia	0	400	400	0
London fund	0	80	0	80
Kuyasa Fund	920	8,460	8,490	890
	<u>8,208</u>	<u>23,644</u>	<u>19,078</u>	<u>12,774</u>
	<u>2,249,348</u>	<u>572,090</u>	<u>514,104</u>	<u>2,307,334</u>

The restricted reserves represent the funds donated to the Charity for specific purposes, or where the Charity had an activity or event with the specific purpose that all donations received or surplus funds from the activity would be used for the advertised purpose. These funds are recorded separately and are normally paid over to the beneficiaries annually, or if it is one of the groups already benefiting from donations by the Charity, it is paid with the normal contributions from time to time. Sufficient cash or short-term deposits are available to make these payments and these funds are not used for normal funding purposes.

The funds above originated from the following and the purposes of it are:

Fund	Purpose
"Koningsoffer" fund	Annual specific contributions for an advertised purpose, determined by the Trustees, in many cases to support missions or other activities similar in goals to the Charity
Financial support - South	Funds donated by members of the South ward to support other members adversely affected by the Covid-19 pandemic through financial hardship and/or loss of employment and/or income
Kanjanji - Zambia	Funds donated specific for the purpose of supporting the activities of the Kanjanji Orphan Project in Zambia

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London fund	Donations received for general activities performed in the London ward of the Charity
Kuyasa fund	Funds donated to a project in South Africa to provide schooling and school clothing to children

15. Notes to the statement of cash flow

Reconciliation of profit to net cash (outflow)/inflow from operating activities

	2020	2019
	£	£
Profit/(Loss) for the year	57,986	6,777
Adjustments to reconcile profit for the year to net cash flow from operating activities		
Depreciation	21,119	21,765
Finance income	(380)	(746)
Working capital movements		
(Increase)/Decrease in debtors	(3,798)	11,912
Increase/(Decrease) in creditors	3,334	(5,416)
Net cash (outflow)/inflow from operating activities	78,261	34,292