

SOUTH AFRICAN CONGREGATION

Report and Financial Statements

31 December 2021

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	<u>Appointed</u>	<u>Resigned</u>
Willem Beumer		
Thinus Buchner		
Sumien Coetzer	20 March 2022	
Etienne Gouws		
Frans Hamman		
Johan Nell		
Charl Steyn		
Hanlie Swart		10 October 2021
Jacobus Theron		
Morne van den Berg		
Jacobus Louis van Pletsen		
Wynand Viljoen		
Marius Vermaak		

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 2021 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 and 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 relate to the charitable work of the Company.

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 Company 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 Company has church services.

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

When planning the 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 impacted all activities for the biggest part of 2021.

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During the lockdown period, all activities such as church services and meetings, were replaced by streaming services, pre-recorded church services that are distributed weekly to all congregation members and others on the mailing lists. Communication with congregation members was 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 South African Congregation 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 parts of the world.

Despite the lockdown and no church gatherings, contributions from members for the financial year to 31 December 2021 exceeded the budget, and was also higher than that of 2020. However, it is expected that the financial hardship that are following the increase in inflation and higher taxation, may have an adverse impact on the contributions in the future. The need for support of members and the wider community is expected to increase.

The Company will continue to operate within the constraints as set out in Government guidance and as it is updated from time to time. With the end of the lockdowns and the vaccination programme that was implemented, it is likely that only limited measures, if any, will continue. This enabled the Company to return to a full pre-lockdown activities from 2022. It was decided that the Company will not only continue with the normal activities, but will also continue with pre-recorded church services that will every week be made available to all members. Anybody interested will also have access via the website, to previously recorded church services.

The Company 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 Company also employed a minister on a part time basis to assist with church services and other tasks in Edinburgh.

The Company is registered mainly to assist the members of the congregation and to participate in activities of similar organisations 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 Company solely relies on the financial contribution from its members for its funding; the general public and institutions have never been approached for financial assistance or for grants.

As part of the Company's activities, it makes contributions in time, effort and financial support to other organisations with similar objectives. The Company, 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 Company, 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 Company 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 Company has also been successful and for many years a surplus had been registered. This helped building reserves to around 6 months' worth of running expenses. Membership numbers were stable over the last number of years - around 1,200 active members. Contributions of restricted and unrestricted funds by members to the Company is also stable at £464,406 (2020: £457,226, 2019: £469,246 and 2018: £462,506).

The church services conducted by the different wards are as follows:

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The London ward with its base at David Game College conducts Sunday services every second and forth Sunday of every month.

The church services of the North ward includes two services per month each at the Theydon Bois Village Hall, Theydon Bois and at Alderbrook School, Solihull, Birmingham, with one service per month in Edinburgh.

The South Ward has two church services per month each in Guildford (Kings College) and at Sutton Valence School, Maidstone.

Other activities than church services are mainly focused on supporting small groups who meet on a regular basis for worship and Bible study. This increase the geographical reach and help to involve others who may not be members of the Company. Other activities include Christian Breakfast meetings, Integrated Leadership Development with focus on the interpretation of the Bible, discussion groups and training events.

At the end of December 2021, the Company had 3 full time and 8 part time employees (including the ministers), with the full time equivalent of around 7.0 (2020: 7.0) posts. Employees were responsible for the management and administration of all activities, accounting for the Company 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 two years.

As noted above, the main purpose of the Company 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 Company. 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 available in English every week.

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. 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 2021 financial year amounted to £464,406 (2020: £433,582). The contributions in respect of restricted funds were £12,300 (2020: £23,644), while Gift aid contributed £96,185 (2020: £93,812) and interest £47 (2020: £380). Activities and events income amounted to £14,615 (2020: £4,432). The Coronavirus Job Retention Scheme Grant received from the government added another £8,226 (2020: £11,990) to income.

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 and prior year. After expenses in respect of unrestricted funds of £513,649 (2020: £495,026), the Company recorded a surplus of £67,365 (2020: £53,420). Expenses in respect of restricted funds amounted to £20,596 (2020:

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£19,078), resulting in a deficit of £8,296 (2020: surplus of £4,566). The financial position remains strong, with cash resources of £375,501 (31 December 2020: £294,725).

The Trustees do not foresee any material change in the activities compared to pre-lockdown activities of 2019. The Trustees confirmed the 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 location of services, are 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 activities, 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 Company 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 Company 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 activities are mainly funded from weekly and monthly donations from the congregation members, it is considered prudent that the Company should maintain reserves that are sufficient to support at least one year's planned activities. The Company 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 £2,361,925 (2020: £2,294,560).

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 wards 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 Company, 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;

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- 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 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 Company'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 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 Company has significant reserves and sufficient cash resources, with no debt, which will make it possible to fund the activities. Expenses are also managed, where possible, in line with contributions received. As a consequence, the Trustee Directors believe that the Company 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
- 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.

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Approval

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

Morne van den Berg

Date: 2022

Trustee

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 2021 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 2021 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

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

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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine 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 trustees are responsible for assessing the Charity'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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including such as the Charities Act 2011, taxation legislation, data protection, anti-bribery, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;

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

- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 16 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of trustees as to actual and potential litigation and claims;
- reviewing correspondence with relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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: 2022

**Statement of comprehensive income (including Income and Expenditure account)
for the year ended 31 December 2021**

		Unrestricted funds	Restricted funds	Total	Total
	Notes			2021	2020
		£	£	£	£
Income:	1d				
Donations and Legacies:					
Collections and donations		464,406	12,300	476,706	457,226
Gift aid claim		96,185	0	96,185	93,812
CJRS grant		8,226	0	8,226	11,990
Income from Investments		47	0	47	380
Rental income		0	0	0	4,250
Income from charitable activities - events		14,615	0	14,615	4,432
Total income		583,479	12,300	595,779	572,090
Expenditure	1e				
Expenditure on charitable activities:					
Missions and evangelical work	9	20,000	20,596	40,596	39,078
Cost of Church activities	10	468,665	0	468,665	448,539
Governance costs	12	27,449	0	27,449	26,487
Total expenditure		516,114	20,596	536,710	514,104
Net income/(expenditure) and net movement in funds for the year	2	67,365	(8,296)	59,069	57,986
Reconciliation of funds					
Fund balances at 1 January		2,294,560	12,774	2,307,334	2,249,348
Fund balances at 31 December	13	2,361,925	4,478	2,366,403	2,307,334

All the Congregation's operations are classed as continuing.

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

Statement of Financial Position at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Land	5	1,237,800	1,237,800
Buildings	5	747,125	756,555
Other tangible assets	6	7,832	7,457
		<u>1,992,757</u>	<u>2,001,812</u>
Current Assets			
Debtors	7	34,839	40,610
Cash at bank and in hand		375,501	294,725
Current assets		<u>410,340</u>	<u>335,335</u>
Creditors due within one year	8	(36,694)	(29,813)
Net current assets		<u>373,646</u>	<u>305,522</u>
Total Assets less current liabilities		<u>2,366,403</u>	<u>2,307,334</u>
Net assets	13	<u>2,366,403</u>	<u>2,307,334</u>
Funds			
Unrestricted reserves	14	2,361,925	2,294,560
Restricted reserves	14	4,478	12,774
Total Funds	14	<u>2,366,403</u>	<u>2,307,334</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 15 to 27 are hereby approved:

Trustee

Name: Morne van den Berg

Date: 2022

Statement of Cash Flow for the year ended 31 December 2021

	Notes	2021 £	2020 £
Net cash (outflow)/inflow from operating activities	15	92,708	78,261
Investing activities			
Interest received		47	380
Payments to acquire tangible fixed assets and improve properties		(11,979)	(2,273)
Net cash flow from investing activities		(11,932)	(1,893)
Increase/(Decrease) in Cash and cash equivalents		80,776	76,368
Cash and cash equivalents at 1 January		294,725	218,357
Cash and cash equivalents at 31 December		375,501	294,725

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 2021

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.

The charity meets the definition of a public benefit entity under FRS 102.

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 2021	Year to December 2020
	£	£
Depreciation	21,033	21,119
Auditors' remuneration	5,920	5,620

3. Employees

Employee Numbers

The average number of employees during the period were:

	Year to December 2021	Year to December 2020
	<u>Number</u>	<u>Number</u>
Employees	11	11
The full time equivalent of the average number of employees	7	7

Employee costs

	Year to December 2021	Year to December 2020
	£	£
Wages and salaries	265,848	267,704
Social Security costs	19,462	18,847
Other pension costs	67,017	53,960
	352,327	340,511

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 2021	Year to December 2020
£70,000 to £79,999	0	2
£80,000 to £89,999	2	0

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 £59,013 (2020: £46,494).

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 in respect of the ministers, during the year, was £62,614 (2020: £50,394).

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 2020: 6 employees), with the company contribution amounting to £1,887 (2020:1,528).

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 2021	1,237,800	876,176	2,113,976
Additions	0		
		8,179	8,179
At 31 December 2021	1,237,800	884,355	2,122,155
Depreciation			
At 1 January 2021	0	119,621	119,621
Charge for the year	0	17,609	
			17,609
At 31 December 2021	0	137,230	137,230
Net book value at 31 December 2021	1,237,800	747,125	1,984,925
Net book value at 31 December 2020	1,237,800	756,655	1,994,355

6. Other Tangible Assets

	Fittings & equipment £	Furniture £	Total £
Cost			
At 1 January 2020	36,140	9,879	46,019
Additions	3686	114	3,800
At 31 December 2021	<u>39,826</u>	<u>9,993</u>	<u>49,819</u>
Depreciation			
At 1 January 2021	31,418	7,144	38,562
Charge for the year	2,375	1,050	3,425
At 31 December 2021	<u>33,793</u>	<u>8,194</u>	<u>41,987</u>
Net book value at 31 December 2021	<u>6,033</u>	<u>1,799</u>	<u>7,832</u>
Net book value at 31 December 2020	<u>4,722</u>	<u>2,735</u>	<u>7,457</u>

7. Debtors

	Year to December 2021 £	2020 £
HM Revenue and Customs (Gift Aid claim)	28,310	27,244
Other debtors	4,167	10,833
Prepayments and accrued income	2,362	2,533
	<u>34,839</u>	<u>40,610</u>

8. Creditors due within one year

	Year to December 2021	2020
	£	£
Accountants' fee	6,500	7,000
Accrued expenses	10,780	8,882
Tax and social security costs	19,414	13,931
	36,694	29,813

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

	Year to December 2021	Year to December 2020
	£	£
Grants from unrestricted funds		
French Children Mission	15,000	15,000
Kanjanji - Zambia	5,000	5,000
Travelling costs in visiting missions	0	0
	20,000	20,000

	Year to December 2021	Year to December 2020
	£	£
Grants from restricted funds		
‘Koningsoffer’ Fund	9,284	7,288
Financial support South	2,520	2,900
Kanjanji - Zambia	182	400
London Fund	80	0
Kuyasa Fund	8,530	8,490
	20,596	19,078

Total grants from unrestricted and restricted funds	40,596	39,078
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10. Cost of Church activities

	Year to December 2021	Year to December 2020
	£	£
Church activities and events costs		
Ministers' remuneration and pension costs	212,815	213,555
Other remuneration costs	122,573	110,562
Congregational meetings, events and activities	34,643	18,109
Rent – church and other buildings	14,949	23,187
	384,980	365,413
Support costs		
Housing costs	26,602	27,236
General insurance	3,673	3,685
Compassion relief	-	1,030
Travelling expenses	10,838	8,436
Stationery, Calendar, Newsletters, etc.	2,522	1,519
Telephone, internet and relevant costs	6,019	6,954
Staff entertainment	658	359
Information technology costs	12,340	12,788
Depreciation	21,033	21,119
	83,685	83,126
Total costs	468,665	448,539

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 £37,797 for the year (2020: £34,267). Total benefits including pension contributions amount to £41,242 (2020: £37,200). 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 2021	Year to December 2020
	£	£
Bank charges	2,534	2,309
Audit fees and other sundry items	5,920	5,620
Administrative staff costs	16,940	16,394
Stationery and other costs	2,055	2,164
	27,449	26,487

13. Summary of Net assets by Fund

	Fixed Assets	Net current assets	Total Net Assets
	£	£	£
Unrestricted funds			
General reserve fund	1,992,757	269,168	2,261,925
Designated funds			
Pastor Exchange Fund	0	50,000	50,000
Scaling down reserve	0	50,000	50,000
	1,992,757	369,168	2,361,925
Restricted funds			
‘Koningsoffer’ Fund	0	3,588	3,588
Financial support - South	0	0	0
London fund	0	0	0
Kuyasa Fund	0	890	890
	0	4,478	4,478
	1,992,757	373,646	2,366,403

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

	01/01/2021	Inflow	Outflow	31/12/2021
	£	£	£	£
Unrestricted funds				
General reserve fund	2,194,560	581,014	513,649	2,261,925
Designated funds				
Pastor Exchange Fund	50,000	0	0	50,000
Scaling down reserve	50,000	0	0	50,000
	2,294,560	581,014	513,649	2,361,925
Restricted funds				
‘Koningsoffer’ Fund	9,284	3,588	9,284	3,588
Financial support - South	2,520	0	2,520	0
Kanjanji - Zambia	0	182	182	0
London fund	80	0	80	0
Kuyasa Fund	890	8,530	8,530	890
	12,774	12,300	20,596	4,478
	2,307,334	593,314	534,245	2,366,403

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
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
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15. Notes to the statement of cash flow

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

	2021	2020
	£	£
Profit/(Loss) for the year	59,069	57,986
Adjustments to reconcile profit for the year to net cash flow from operating activities		
Depreciation	21,034	21,119
Finance income	(47)	(380)
Working capital movements		
(Increase)/Decrease in debtors	5,771	(3,798)
Increase/(Decrease) in creditors	6,881	3,334
Net cash (outflow)/inflow from operating activities	<u>92,708</u>	<u>78,261</u>

16. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no key judgements. The main accounting estimates are depreciation, gift aid debtors and accruals.

17. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.