

**The Baptist Union of Southern Africa**  
(Registration number 020-808-NPO)  
Financial statements  
for the year ended 31 December 2020

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To promote and disseminate Baptist Principles
<b>National Leadership Team</b>	President: Rev G Matthei Financial Administrator: Rev C Diesel National Confidential Consultant: Rev G Ngamlana Missions: Rev A Scheepers
<b>Business address</b>	44 Blende Avenue Roodekrans Roodepoort 1724
<b>Postal address</b>	Private Bag X45 Wilropark 1724
<b>Auditor</b>	Drysdale & Associates Chartered Accountants (S.A.) Registered Auditors
<b>Preparer</b>	The financial statements were independently compiled by: Garth Coppin B. Comm (Hons), CA(SA)

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Index

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The reports and statements set out below comprise the financial statements presented to the stakeholders:

	<b>Page</b>
National Leadership Teams' Responsibilities and Approval	3
National Leadership Team	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Financial Statements	13 - 17

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## National Leadership Teams' Responsibilities and Approval

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The National Leadership Team are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Baptist Union as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The National Leadership Team acknowledge that they are ultimately responsible for the system of internal financial control established by the Baptist Union and place considerable importance on maintaining a strong control environment. To enable the National Leadership Team to meet these responsibilities, the team sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Baptist Union and all employees are required to maintain the highest ethical standards in ensuring the Baptist Union's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Baptist Union is on identifying, assessing, managing and monitoring all known forms of risk across the Baptist Union. While operating risk cannot be fully eliminated, the Baptist Union endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The National Leadership Team are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The National Leadership Team have reviewed the Baptist Union's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, they are satisfied that the Baptist Union has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Baptist Union's financial statements. The financial statements have been examined by the Baptist Union's external auditor and their report is presented on page 5.

The financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the team on 24 September 2021 and were signed on its behalf by:

### Approval of financial statements

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**National Confidential Consultant: Rev G Ngamlana**

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**Missions: Rev A Scheepers**

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**President: Rev G Matthei**

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**Financial Administrator: Rev C Diesel**

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## National Leadership Team

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The National Leadership Team have pleasure in submitting their report on the financial statements of The Baptist Union of Southern Africa for the year ended 31 December 2020.

### 1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution of the Baptist Union. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the Baptist Union are fully set out in the attached annual financial statements.

These financial statements show that the finances of the Baptist Union have improved during the year under review as a result of it achieving a surplus of R 1 893 191 for the year ended 31 December 2020, after suffering losses in previous years (2019 - R148 358 and 2018 - R612 964). In addition, the cash balances have improved from R492 887 to R1 046 069 during the year and the amount of equity has increased from R1 645 605 to R3 538 797 during the year.

While Covid-19 has had an effect on the finances, they were also been favourably impacted by decisions taken to address the losses suffered in previous years. A small surplus had been budgeted for 2020. Actual income received was less than the amount budgeted, mainly due to a large decrease in giving from churches, but this was more than offset by a major reduction in many categories of expenses, particularly employment, which were also significantly below the amount budgeted.

The finances were also bolstered by removing some designated funds from liabilities as a result of them no longer being considered as meeting the requirements to be classified as liabilities. This was offset by the Baptist Union bearing running costs relating to the Maranatha Retreat and Conference Centre as a result of it not being able to afford to pay these costs due to Covid-19 affecting the use of the Centre.

### 2. National Leadership Team

The National Leadership Team in office at the date of this report are as follows:

#### National Leadership Team

President: Rev G Matthei

Financial Administrator: Rev C Diesel

National Confidential Consultant: Rev G Ngamlana

Missions: Rev A Scheepers

### 3. Going concern

It is believed that the Baptist Union is a going concern based on it achieving a surplus in 2020. The Baptist Union is budgeting to achieve a surplus in 2021. Furthermore, the Baptist Union owns a number of properties not recorded as an asset in its statement of financial position, which it could be dispose of if required.

The Baptist Union has loans from the Baptist Trust and Special Purpose Funds. Over the years various amounts were given to the Baptist Union which were deposited into these funds without being recorded in the financial statements of the Baptist Union. If required the Baptist Union could request some of these funds be transferred to the Baptist Union and use these funds to settle the loans.

### 4. Auditors

Drysdale & Associates were appointed in office as auditors for the company for 2020.

## **Independent Auditor's Report**

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**To the members of The Baptist Union of Southern Africa**

### **Opinion**

I have audited the financial statements of The Baptist Union of Southern Africa (the Baptist Union) set out on pages 7 to 17, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Baptist Union of Southern Africa as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution of The Baptist Union of Southern Africa.

### **Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Baptist Union in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Other Information**

The National Leadership Team are responsible for the other information. The other information comprises the information included in the document titled "The Baptist Union of Southern Africa financial statements for the year ended 31 December 2020", which includes the National Leadership Team, which I obtained prior to the date of this report. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the National Leadership Team for the Financial Statements**

The National Leadership Team are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Baptist Union constitution, and for such internal control as the National Leadership Team 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 National Leadership Team are responsible for assessing the Baptist Union'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 National Leadership Team either intend to liquidate the Baptist Union or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

## Independent Auditor's Report

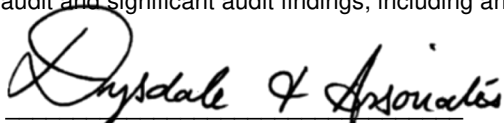
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My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Baptist Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Leadership Team.
- Conclude on the appropriateness of the National Leadership Teams' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Baptist Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Baptist Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the National Leadership Team regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**Drysdale & Associates**  
**Grant John Eric Drysdale**  
**Partner**  
**Chartered Accountant (SA)**  
**Registered Auditors**

**24 September 2021**  
**Johannesburg**

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position as at 31 December 2020

Figures in Rand	Note(s)	2020	2019
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	4,707,196	4,765,433
Current Assets			
Trade and other receivables	4	430,236	264,639
Cash and cash equivalents		1,046,069	492,887
		<b>1,476,305</b>	<b>757,526</b>
<b>Total Assets</b>		<b>6,183,501</b>	<b>5,522,959</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		3,538,797	1,645,606
<b>Liabilities</b>			
Non-Current Liabilities			
Other financial liabilities	6	1,474,735	1,529,059
Current Liabilities			
Trade and other payables	9	519,481	887,885
Related party loans	3	-	99,433
Designated funds	7	588,235	1,187,485
Current tax payable	5	17,053	61,115
Provisions	8	45,200	112,376
		<b>1,169,969</b>	<b>2,348,294</b>
<b>Total Liabilities</b>		<b>2,644,704</b>	<b>3,877,353</b>
<b>Total Equity and Liabilities</b>		<b>6,183,501</b>	<b>5,522,959</b>



# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
Bequests		-	500
Church giving (includes R532,292 from fund shared with a church)		1,189,353	1,361,383
Foundation income		64,625	103,568
Membership fees		1,142,375	811,145
Missions giving		174,347	148,074
Rental Income		545,753	418,267
Income from appeals (Easter, Covid relief, Christmas)		259,293	416,072
		<b>3,375,746</b>	<b>3,259,009</b>
<b>Other income</b>			
Designated funds no longer classified as liabilities		446,655	-
Other income		188,485	87,347
Gains on disposal of assets		2,000	140,053
		<b>637,140</b>	<b>227,400</b>
<b>Operating expenses</b>			
Auditors remuneration	11	-	(25,000)
Departmental costs		(68,867)	(269,360)
Depreciation, amortisation and impairments		(58,237)	(57,773)
Employee costs		(633,823)	(1,541,296)
Consulting and professional fees		(162,776)	(56,102)
Grants (net of R190,636 reversal of previous grants)		6,779	(178,990)
Operating costs		(257,930)	(533,839)
Lease rentals on operating lease		(17,871)	(16,382)
Other costs		(49,035)	(117,665)
Property related costs		(650,140)	(448,562)
Use of appeal income (excludes R167,240 paid from prior year receipts)		(218,493)	(225,263)
		<b>(2,110,393)</b>	<b>(3,470,232)</b>
<b>Operating profit</b>	10	<b>1,902,493</b>	<b>16,177</b>
Investment income	12	17,342	94,113
Finance costs	13	(70,706)	(197,532)
		<b>(53,364)</b>	<b>(103,419)</b>
<b>Surplus (deficit) before taxation</b>		<b>1,849,129</b>	<b>(87,242)</b>
Taxation	14	44,062	(61,115)
<b>Surplus (deficit) for the year</b>		<b>1,893,191</b>	<b>(148,357)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>1,893,191</b>	<b>(148,357)</b>

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 January 2019</b>	<b>1,793,963</b>	<b>1,793,963</b>
Loss for the year	(148,357)	(148,357)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(148,357)</b>	<b>(148,357)</b>
<b>Balance at 01 January 2020</b>	<b>1,645,606</b>	<b>1,645,606</b>
Profit for the year	1,893,191	1,893,191
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,893,191</b>	<b>1,893,191</b>
<b>Balance at 31 December 2020</b>	<b>3,538,797</b>	<b>3,538,797</b>

Note(s)

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	15	758,303	(167,196)
Interest income		17,342	94,113
Finance costs		(70,706)	(197,532)
<b>Net cash from operating activities</b>		<b>704,939</b>	<b>(270,615)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(71)
Sale of property, plant and equipment	2	2,000	143,289
<b>Net cash from investing activities</b>		<b>2,000</b>	<b>143,218</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(54,324)	(6,841)
Proceeds from loans from related parties		-	386,418
Repayment of loans from related parties		(99,433)	(14,816)
<b>Net cash from financing activities</b>		<b>(153,757)</b>	<b>364,761</b>
<b>Total cash movement for the year</b>		<b>553,182</b>	<b>237,364</b>
Cash at the beginning of the year		492,887	255,523
<b>Total cash at end of the year</b>		<b>1,046,069</b>	<b>492,887</b>

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

##### Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Baptist Union holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is measured at cost. Costs incurred to acquire or construct an item of property, plant and equipment and costs incurred subsequently, replace part of, or service are included in cost. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Baptist Union and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Baptist Union.

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

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Item	Depreciation method	Average useful life
Buildings	Straight line	100 years to residual
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Garden equipment	Straight line	6 years
Security equipment	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### 1.4 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.5 Provisions and contingencies

Provisions are recognised when the Baptist Union has an obligation at the reporting date as a result of a past event; it is probable that the Baptist Union will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

### 1.6 Revenue

Revenue is recognised to the extent that the Baptist Union has received amounts into its banking accounts.

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

### 1.7 Borrowing costs

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

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Rand

2020

2019

### 2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	700,000	-	700,000	700,000	-	700,000
Buildings	3,988,095	-	3,988,095	3,988,095	-	3,988,095
Furniture and fixtures	38,863	(35,081)	3,782	38,863	(29,856)	9,007
Motor vehicles	268,000	(267,453)	547	268,000	(228,466)	39,534
Office equipment	132,239	(120,479)	11,760	132,239	(111,981)	20,258
IT equipment	201,048	(198,038)	3,010	201,048	(193,644)	7,404
Garden equipment	6,650	(6,649)	1	6,650	(6,096)	554
Security equipment	64,839	(64,838)	1	64,839	(64,258)	581
<b>Total</b>	<b>5,399,734</b>	<b>(692,538)</b>	<b>4,707,196</b>	<b>5,399,734</b>	<b>(634,301)</b>	<b>4,765,433</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Land	700,000	-	700,000
Buildings	3,988,095	-	3,988,095
Furniture and fixtures	9,007	(5,225)	3,782
Motor vehicles	39,534	(38,987)	547
Office equipment	20,258	(8,498)	11,760
IT equipment	7,404	(4,394)	3,010
Garden equipment	554	(553)	1
Security equipment	581	(580)	1
	<b>4,765,433</b>	<b>(58,237)</b>	<b>4,707,196</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Land	700,000	-	-	-	700,000
Buildings	3,988,095	-	-	-	3,988,095
Furniture and fixtures	13,203	-	-	(4,196)	9,007
Motor vehicles	78,522	-	-	(38,988)	39,534
Office equipment	28,757	-	-	(8,499)	20,258
IT equipment	12,606	-	(3,236)	(1,966)	7,404
Garden equipment	1,663	-	-	(1,109)	554
Security equipment	3,525	71	-	(3,015)	581
	<b>4,826,371</b>	<b>71</b>	<b>(3,236)</b>	<b>(57,773)</b>	<b>4,765,433</b>

#### Details of properties

Registers with details of land and buildings are available for inspection by members or their duly authorised representatives at the registered office of the Baptist Union.

### 3. Loans to (from) related parties

#### Baptist Associations

Maranatha Retreat and Conference Centre - (99,433)  
 The loan was unsecured, bore no interest and had no fixed terms of repayment.

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Rand	2020	2019
<b>4. Trade and other receivables</b>		
Trade receivables	147,288	200,103
Prepayments	94,022	-
Deposits	84,020	156,197
Inter departmental receivables	104,906	(91,661)
	<b>430,236</b>	<b>264,639</b>
<b>5. Current tax receivable (payable)</b>		
Normal tax	(17,053)	(61,115)
<b>Net current tax receivable (payable)</b>		
Current liabilities	(17,053)	(61,115)
<b>6. Other financial liabilities</b>		
<b>At amortised cost</b>		
Baptist Trust and Special Purpose Funds - Campsite The loan is unsecured, bears interest at call investment rates and is repayable over a ten-year period.	692,194	661,206
Baptist Trust and Special Purpose Funds - Cashflow Loan The loan is unsecured, bears interest at call investment rates and repayable on mutually agreed terms.	632,541	717,853
South African Baptist Missions D - Loan The loan is unsecured, interest free and repayable on mutually agreed terms.	150,000	150,000
	<b>1,474,735</b>	<b>1,529,059</b>
<b>Non-current liabilities</b>		
At amortised cost	1,474,735	1,529,059
<b>7. Designated funds</b>		
Funds donated or bequeathed for a designated purpose	588,235	1,187,485
<b>Net designated funds</b>		
Current liabilities	588,235	1,187,485

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Rand

2020

2019

### 8. Provisions

#### Reconciliation of provisions - 2020

	Opening balance	Utilised during the year	Closing balance
Provisions for employee benefits	112,376	(67,176)	45,200

#### Reconciliation of provisions - 2019

	Opening balance	Utilised during the year	Closing balance
Provisions for employee benefits	149,119	(36,743)	112,376

#### Net provisions

The provision for employee benefits consists of leave pay and bonuses. The uncertainty relating to these provisions relates to the rate of pay at the time of payment (Leave pay) and the bonuses are based on discretion and employment.

### 9. Trade and other payables

Trade payables	73,295	285,198
Accrued expense - payroll	69,965	26,754
Accrued expense - other	84,394	19,906
Deposit received in anticipation of sale of asset	250,000	-
Deposits received from tenants	30,000	30,000
All African Baptist Fellowship	7,893	478,981
Funds held by the Union on behalf fund raisers	3,934	47,046
	<b>519,481</b>	<b>887,885</b>

### 10. Operating expenses

Operating expenses include the following expenses:

#### Operating lease charges

Equipment		
• Contractual amounts	17,871	16,382
Depreciation and amortisation	58,237	57,773
Employee costs	633,823	1,541,296

### 11. Auditor's remuneration

Fees	-	25,000
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### 12. Investment revenue

#### Interest revenue

Bank	7,836	11,917
Current loans	-	35,444
Amounts distributed by Trust Funds	9,506	46,752
	<b>17,342</b>	<b>94,113</b>



# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Rand	2020	2019
<b>13. Finance costs</b>		
Current borrowings	39,718	45,312
Interest on campsite loans	30,988	152,220
	<b>70,706</b>	<b>197,532</b>

### 14. Taxation

#### Major components of the tax (income) expense

##### Current taxation

South African normal tax - year	(44,062)	61,115
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##### Non provision of tax

The entity is only required to pay income tax on its rental income. No provision has been made for tax on other income as the Baptist Union has tax exemption status as a PBO under section 10(1)(cN) of the Income Tax Act.

### 15. Cash generated from (used in) operations

Surplus (deficit) before taxation	1,849,129	(87,242)
<b>Adjustments for:</b>		
Depreciation and amortisation	58,237	57,773
Profit on sale of assets	(2,000)	(140,053)
Interest received	(17,342)	(94,113)
Finance costs	70,706	197,532
Movements in provisions	(67,176)	(36,743)
Other non-cash items	-	(1)
<b>Changes in working capital:</b>		
Trade and other receivables	(165,597)	(55,268)
Trade and other payables	(368,404)	29,436
Designated funds	(599,250)	(38,517)
	<b>758,303</b>	<b>(167,196)</b>

### 16. Related parties - fellow Baptist Union entities

#### Related party balances and transactions with entities over which the Baptist Union has significant influence

##### Related party balances and transactions

Baptist Union Trust and Special Purpose Funds- Interest of R70 706 was paid on loans received (refer to note 7). R127 047 of income was received from these funds plus R32 320 for reimbursement of expenses incurred on their behalf. The Funds owe the Baptist Union R104 906 (refer note 4) for unpaid expenses and amounts deposited with the Funds.

Baptist Women's Department – The grant expense was reduced by R78 728 as a result of amounts provided in prior years no longer being required to be paid.

Maranatha Retreat and Conference Centre – The Baptist Union bore R266 714 of running costs relating to the Centre as a result of Covid-19 affecting its ability to earn income to cover these costs.

##### Compensation paid to key management

### 17. Comparative figures

Certain comparative figures have been reclassified.

# The Baptist Union of Southern Africa

(Registration number: 020-808-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Rand	2020	2019
<b>18. Categories of financial instruments</b>		
<b>Debt instruments at amortised cost</b>		
Cash and cash equivalents	1,046,069	492,887
Trade and other receivables	336,214	264,639
	<b>1,382,283</b>	<b>757,526</b>
<b>Financial liabilities at amortised cost</b>		
Loans	(1,474,735)	(1,529,059)
Related parties	-	(99,433)
Trade and other payables	(519,489)	(887,886)
	<b>(1,994,224)</b>	<b>(2,516,378)</b>