

# MARANATHA RETREAT AND CONFERENCE CENTRE

an enterprise of  
THE BAPTIST UNION OF SOUTHERN AFRICA  
(Registration Number 207-741 NPO)  
Annual Financial Statements  
for the year ended 31 December 2020

Draft

Prepared by:

**QACR cc**  
**Quality Accounting Complete Reporting**  
2008/153124/23  
Andrea Kay Graham (B.Com)  
Professional Accountant (SA)  
Professional Tax Practitioner (SA)

# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Annual Financial Statements for the year ended 31 December 2020

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

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Annual Financial Statements for the year ended 31 December 2020

## General Information

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**COUNTRY OF INCORPORATION AND DOMICILE**

South Africa

**NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES**

Provide conference and accommodation to organisations for Christian educational or training purposes.

**MANAGEMENT**

P Ihlenfeldt  
J Dreyer

**REGISTERED OFFICE**

44 Blende Avenue  
Roodekrans  
Roodepoort  
1424

**BANKERS**

Standard Bank

**COMPILER**

Andrea Kay Graham  
QACR cc  
29 Bushbuck Ridge  
Pinetown  
3610

**INDEPENDENT REVIEWER**

Scott Stephenson Business Advisory  
27 Saltfleet Road  
Westville  
3630

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**Andrea Kay Graham** B. Com

Professional Accountant (SA)

Professional Tax Practitioner (SA)

083 557 1580

andrea@qacr.co.za

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## Report of the Compiler

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### To the Management of Maranatha Retreat and Conference Centre

I have compiled the accompanying annual financial statements of Maranatha Retreat and Conference Centre based on information you have provided. These annual financial statements comprise the statement of financial position of Maranatha Retreat and Conference Centre as at 31 December 2020, the statement of comprehensive income and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

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**Andrea Kay Graham**  
**Professional Accountant**

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Annual Financial Statements for the year ended 31 December 2020

## Management's Responsibilities and Approval

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Management is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements.

Based on forecasts and available cash resources, without considering the effects of Covid19, a pandemic that has had global consequences, management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation

The independent reviewer is responsible for independently reviewing and reporting on the annual financial statements. The independent reviewers report is presented on page 3.

The annual financial statements as set out on pages 5 to 11 were approved by the management committee on \_\_\_\_\_ and were signed on its behalf by:

\_\_\_\_\_  
P Ihlenfeldt

\_\_\_\_\_  
J Dreyer

# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position

Figures in R	Notes	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	8 989	15 656
<b>Current Assets</b>			
Trade and other receivables	4	83 630	384 241
Cash and cash equivalents	5	31 734	58 271
		<b>115 364</b>	<b>442 512</b>
<b>Total Assets</b>		<b>124 353</b>	<b>458 168</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
(Accumulated loss)/ retained earnings		(105 209)	139 819
<b>Current Liabilities</b>			
Trade and other payables	6	229 562	318 349
<b>Total Reserves and Liabilities</b>		<b>124 353</b>	<b>458 168</b>

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Comprehensive Income

Figures in R	Notes	2020	2019
<b>Revenue</b>	7	191 840	1 403 769
Operating costs		(436 868)	(1 192 467)
<b>Operating (deficit) / surplus</b>		<b>(245 028)</b>	<b>211 302</b>
Finance income	8	-	958
Finance costs	9	-	(205)
<b>(Deficit) / surplus for the year</b>		<b>(245 028)</b>	<b>212 055</b>
Retained income at 1 January 2020		139 819	(72 236)
(Deficit) / surplus for the year		(245 028)	212 055
Accumulated loss at 31 December 2020		<b>(105 209)</b>	<b>139 819</b>

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Cash Flows

Figures in R	2020	2019
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the year	(245 028)	212 055
<i>Adjustments for:</i>		
Finance costs	-	205
Depreciation of Tangible assets	6 667	6 668
Investment income	-	(958)
<b>Operating cash flow before working capital changes</b>	<b>(238 361)</b>	<b>217 970</b>
<i>Working capital changes</i>		
Decrease/(increase) in trade and other receivables	300 611	(128 940)
Decrease in trade and other payables	(88 787)	(254 491)
<b>Cash utilised in operating activities</b>	<b>(26 537)</b>	<b>(165 461)</b>
Investment income	-	958
Finance costs	-	(205)
<b>Net cash from operating activities</b>	<b>(26 537)</b>	<b>(164 708)</b>
Decrease in cash and cash equivalents	(26 537)	(164 708)
Cash and cash equivalents at beginning of the year	58 271	222 979
<b>Cash and cash equivalents at end of the year</b>	<b>31 734</b>	<b>58 271</b>

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1. General information

The Baptist Union Of Southern Africa is a non-profit organisation. The Baptist Union of Southern Africa owns and runs this enterprise "Maranatha Retreat and Conference Centre".

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

#### 2.2 Income taxes

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

#### 2.3 Property, plant and equipment

Property, plant and equipment used by MRCC but acquired during and before the 2015 financial year is owned by BUSA and does not form part of property, plant and equipment in these financial statements. MRCC rents these assets from the BUSA at a rental that is set annually by BUSA. This rental includes the right to occupy and use the Retreat Centre.

Items of property, plant and equipment acquired during or after 2016 are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	16.67%
Equipment	16.67%

# MARANATHA RETREAT AND CONFERENCE CENTRE

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Financial Statements for the year ended 31 December 2020

## Accounting Policies

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*Summary of significant accounting policies continued...*

### 2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

### 2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### 2.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

### 2.7 Profit (surplus) distribution policy

The Baptist Union of Southern Africa (BUSA) and the Baptist Union Women's Department (BUWD) are to share in any profits (surpluses) on a 50:50 basis. Where, in any one financial year, 50% of the surplus is less than the rental due to BUSA, or, should the Maranatha Retreat and Conference Centre (MRCC) incur a loss or deficit, then BUSA and BUWD will agree an alternative basis for profit sharing which may include an adjustment to the rental agreement.

# MARANATHA RETREAT AND CONFERENCE CENTRE

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Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R

2020

2019

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Furniture and fittings	16 997	12 279	<b>4 718</b>	16 997	9 446	7 551
Equipment	23 000	18 729	<b>4 271</b>	23 000	14 895	8 105
	<b>39 997</b>	<b>31 008</b>	<b>8 989</b>	<b>39 997</b>	<b>24 341</b>	<b>15 656</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	7 551	-	-	(2 833)	4 718
Equipment	8 105	-	-	(3 834)	4 271
	<b>15 656</b>	<b>-</b>	<b>-</b>	<b>(6 667)</b>	<b>8 989</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	10 385	-	-	(2 834)	7 551
Equipment	11 939	-	-	(3 834)	8 105
	<b>22 324</b>	<b>-</b>	<b>-</b>	<b>(6 668)</b>	<b>15 656</b>

### 4. Trade and other receivables

Trade debtors	(7 201)	51 862
Value Added Taxation	786	-
BU Trust loan	90 045	332 379
	<b>83 630</b>	<b>384 241</b>

### 5. Cash and cash equivalents

#### Favourable cash balances

Cash on hand	3 362	34 463
Standard bank Current Account	25 167	20 603
Standard bank Call Account	3 205	3 205
	<b>31 734</b>	<b>58 271</b>

### 6. Trade and other payables

Sundry creditors	188	6 074
Value Added Taxation	-	22 779
Breakage deposits	-	51 368
Loan from BUWD	229 374	238 128
	<b>229 562</b>	<b>318 349</b>

# MARANATHA RETREAT AND CONFERENCE CENTRE

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## Notes to the Annual Financial Statements

Figures in R	2020	2019
<b>7. Revenue</b>		
An analysis of revenue is as follows:		
Accommodation and conference fees	156 988	1 228 826
Catering levy	16 671	162 794
Parking income	5 231	7 410
Sundry income	12 950	4 739
	<u>191 840</u>	<u>1 403 769</u>
<b>8. Finance income</b>		
<b>Interest income</b>		
Interest received	<u>-</u>	<u>958</u>
<b>9. Finance costs</b>		
SARS	<u>-</u>	<u>205</u>
	<u>-</u>	<u>205</u>

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# MARANATHA RETREAT AND CONFERENCE CENTRE

(Registration Number 207-741 NPO)

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## Detailed Income Statement

Figures in R	2020	2019
<b>Gross Revenue</b>		
Accommodation and conference fees	156 988	1 228 826
Catering levy	16 671	162 794
Parking income	5 231	7 410
Sundry income	12 950	4 739
	<u>191 840</u>	<u>1 403 769</u>
<b>Other Income</b>		
Investment income	-	958
	<u>-</u>	<u>958</u>
<b>Expenditure</b>		
Accounting fees	18 835	46 183
Admin / management fees paid	-	40 000
Advertising	1 809	3 660
Bank charges	11 046	12 058
Catering	1 465	6 449
Computer expenses	2 536	-
Depreciation - Tangible assets	6 667	6 668
Electricity and water	(10 500)	276 097
Equipment, furniture and tools	-	430
Finance costs	-	205
General expenses	1 731	-
Insurance	-	26 654
Laundry and cleanings	12 728	74 481
Motor vehicle expense	200	600
Printing and stationery	734	6 208
Refreshments	276	-
Repairs and maintenance	26 435	99 858
Salaries	355 370	541 634
Security	700	40 540
Telephone and fax	6 526	10 947
Travel - local	310	-
	<u>436 868</u>	<u>1 192 672</u>
<b>(Deficit) / surplus for the year</b>	<u><b>(245 028)</b></u>	<u><b>212 055</b></u>

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