

FINANCIAL REPORT

JOHAN PRETORIUS

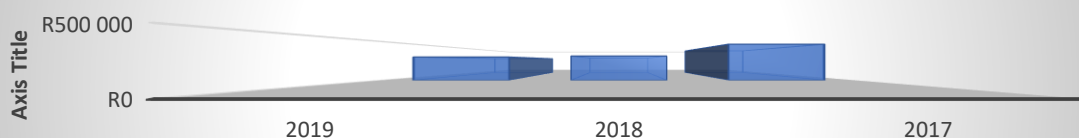
Profit and Loss

The Somerset West United Church (Presbyterian - Congregational)

For the 12 months ended 31 December 2019

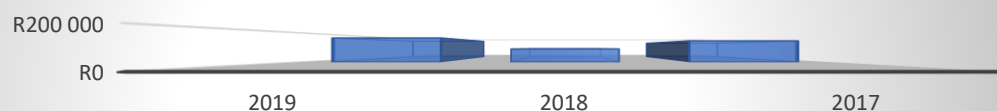
	Actual 2019	Budget 2019	Variance
NET RESULT	-R 216 040.52	-R 403 386.00	- R 187 345.48
INCOME	R2 529 842.41	R2 248 000.00	R281 842.41
Assessment refund	R6 403.00	R0.00	R6 403.00
Direct Giving	R1 959 349.34	R1 680 000.00	R279 349.34
Donations	R4 200.00	R0.00	R4 200.00
Fund raising	R164 682.37	R200 000.00	-R35 317.63
Giving at services	R301 065.00	R275 000.00	R26 065.00
Interest Income	R16 669.70	R9 000.00	R7 669.70
Special offerings	R2 808.00	R0.00	R2 808.00
Rental of Facilities	R73 315.00	R84 000.00	-R10 685.00
Bad debts recovered	R1 350.00		R1 350.00
EXPENSES	R2 745 882.93	R2 651 386.00	R94 496.93
Accounting, audit and consultancy costs	R27 174.92	R24 372.00	R2 802.92
Ad Hoc, Relief & Support Staff	R48 700.00	R30 000.00	R18 700.00
Advertising	R7 804.00	R12 000.00	-R4 196.00
Assessment - UCCSA Congregational Peninsula Regional Council	R22 625.63	R19 834.00	R2 791.63
Assessment - UCCSA Congregational SA Synod	R113 124.21	R99 146.00	R13 978.21
Assessment - UPCSA Presbyterian General Assembly	R195 821.79	R170 658.00	R25 163.79
Assessment - UPCSA Presbyterian Western Cape	R56 561.61	R49 567.00	R6 994.61
Bank charges	R18 429.11	R15 600.00	R2 829.11
Building repairs and maintenance	R12 087.85	R44 400.00	-R32 312.15
Church council	R12 091.16	R9 600.00	R2 491.16
Cleaning and sanitation	R13 760.35	R14 400.00	-R639.65
Computer & software expenses	R14 911.51	R18 650.00	-R3 738.49
Consumables for worship services	R10 251.03	R14 400.00	-R4 148.97
Depreciation	R11 265.11	R0.00	R11 265.11
Donations to Partner organisations	R1 645.00	R0.00	R1 645.00
Electronics / Audio equipment repairs and maintenance	R4 520.00	R12 000.00	-R7 480.00
Furniture and fittings repairs and maintenance	R11 982.41	R0.00	R11 982.41
Insurance	R69 784.88	R64 044.00	R5 740.88
Leadership Training	R300.00	R4 000.00	-R3 700.00
Lease of equipment	R19 071.34	R20 916.00	-R1 844.66
Legal expenses	R0.00	R880.00	-R880.00
Licences	R504.00	R0.00	R504.00
Link cafe profit / losses	R27 044.12	R0.00	R27 044.12
Municipal services	R124 283.00	R187 200.00	-R62 917.00
Next Generation Ministry	R0.00	R10 800.00	-R10 800.00
Printing & Stationery	R30 749.81	R30 000.00	R749.81
Refreshments	R6 447.82	R13 200.00	-R6 752.18
Relocation expenses	R70 000.00	R0.00	R70 000.00
Resources (books, DVS, music)	R10 458.84	R16 000.00	-R5 541.16
Salaries & wages - Employer taxes paid	R7 815.90	R7 776.00	R39.90
Salaries & wages - other benefits	R21 670.00	R0.00	R21 670.00
Salaries and wages	R1 701 660.33	R1 680 000.00	R21 660.33
Security	R10 570.01	R9 630.00	R940.01
Subscriptions	R3 259.00	R7 313.00	-R4 054.00
Telephone & Internet	R55 794.65	R54 000.00	R1 794.65

Giving at services 2017 - 2018



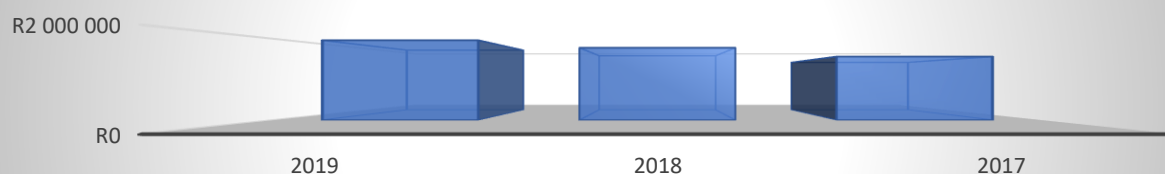
	2019	2018	2017
■ Giving at services	R301 065	R313 371	R466 965

Fund Raising in Thousands Comparison 2017 - 2019



	2019	2018	2017
■ Fund Raising in Thousands	R164 682	R89 676	R145 125

Direct Giving 2017 -2019



	2019	2018	2017
■ Direct Giving in Millions	R1 959 349	R1 775 098	R1 559 223

For

The 2019 financial year ending at 31 December 2019 -- % contribution to Income

Direct Giving = 77.11%	↑	16.6% over budget
Giving at Service = 11.85%	↑	9.5% over budget
Fund Raising = 6.48%	↓	17.7% under budget
Rental of Facilities = 2.90%	↓	12.4% under budget
Other = 1.66%	→	On budget

Feedback on the financial year ended on 31 December 2019

The financial position of SWUC, for the 2019 financial year at 31 December 2019, is a satisfactory one in relation to the 2019 budget and comparative to the financial position at the end of December 2018. Should the R 529,750 bequest, that was received in July 2018 be excluded, the final 2019 financial statements reflect an even better position.

The main income streams for SWUC is Direct Giving (income via debit orders and/or EFT's) and Giving at Service – 75% and 12% of the 2019 income budget respectively. At the end of December 2019 SWUC was R 279,349 (16.6%) better than budget for Direct Giving and versus YTD 2018 we were R 184,252 (10%) better off. At the end of December 2019 for Giving at Service income we were R 26,065 (9.6%) better than the YTD 2019 budget whilst versus YTD 2018 we are down R 12,306 (4%). In total, from these two income streams, we were R 305,416 (15%) up on the 2019 YTD budget and R 171,945 (8%) up comparing to the 2018 YTD income from these two income streams.

The direct giving income stream has become a very reliant and upward trending one for SWUC, whilst the slight downward trend regarding the Giving at Service income stream continues.

Fundraising (2019 Budget = R 225,000) is the 3rd largest income stream for SWUC and constitutes 9% of the 2019 income budget. Up to the end of December 2019 the income received from fundraising was R 164,682 which leaves SWUC with a R 35,318 (17.7%) shortfall versus budget. This was a very good and important effort by the fund raising team and the SWUC congregation as a whole. It remains a big imperative that SWUC continue to effectively close probable fundraising shortfalls against budget in the future and/or keeping it as small as possible.

Rental income constitutes 4% of the 2019 income budget – the 4th most important income stream for SWUC. Our YTD rental income is R 10,385 (12.4%) below budget and R 13,112 (15%) lower than the rental income that was received for 2018 YTD. A complete reassessment of the rental opportunities for SWUC was completed by George and his team with new lease agreements, with market related rates, that were compiled. We are well positioned to lift our income generation, from rental income, to another level in 2020 and going forward from there with a well- managed rental income system.

The total gross income for the 2019 financial year is R 281,842 (13%) better than budget. Comparing to 2018 financial year the total gross income was down with R 264,183 (9%). Should the R 529,750 bequest that was received mid-2018 and journalized as an income item in the 2018 financial statements, be excluded, the 2019 gross income would have been better with R 277,925 (12%) than the 2018 financial year gross income. This do put things in a much better perspective. In December 2019 a bequest of R 1,523,944 was received but it was not journalized as an income item in the 2019 financial statements of SWUC.

The total operating expenses for the 2019 financial were R 94497 (4%) higher than the 2019 budget. In comparison to 2018 financial year the total expenses for the 2019 financial year was R 344,445 (14%) higher.

The R 216,040 net deficit for the 2019 financial year, as at the end of December 2019, was R 187,345 (46%) better than the 2019 budget but R 579,933 (148%) worse than the comparative 2018 financial year net deficit




position. If the 2018 bequest is excluded the real financial deficit (2019 versus 2018) difference will come down to R 50,183 (37%).

At the end of the 2019 financial year at 31 December 2019 we had a positive cash flow, with adequate funds of R 1,928,605 (including the bequest of R 1,523,944 that was received in December 2019), in the various bank accounts.

Conclusion:

It is clear from the above that SWUC is not able to escape the pressures of an abnormal tight economy and the fact that most households have less discretionary funds available. The financial position of SWUC for the 2019 financial year as at 31 December 2019, is in light of this reality, still a relatively healthy one.

The 2020 budget (as the Council approved it) in comparison to the 2019 actuals - summarized:

	Actual 2019	Budget 2020	Variance
Net deficit	-R 216,040.52	-R 449,966.32	108% 
Gross Income	R 2,529,842.41	R 2,599,800.00	3% 
Expenses	R 2,745,882.93	R 3,049,766.32	11% 

The 2020 budget in comparison to the 2019 actuals – holistic view:

	Actual 2019	Budget 2020	Variance
NET RESULT	-R 216 040.52	-R 449 966.32	-R 233 925.80
INCOME	R2 529 842.41	R 2 599 800.00	R 69 957.59
Assessment refund	R6 403.00	R 0.00	-R 6 403.00
Direct Giving	R1 959 349.34	R 1 920 000	-R 39 349.34
Donations	R4 200.00	R 0.00	-R 4 200.00
Fund raising	R164 682.37	R 200 000.00	R 35 317.63
Giving at services	R301 065.00	R 288 000.00	-R 13 065.00
Interest Income	R16 669.70	R 27 000.00	R 10 330.30
Special offerings	R2 808.00	R 0.00	-R 2 808.00
Rental of Facilities	R73 315.00	R 134 800.00	R 61 485.00
Bad debts recovered	R1 350.00	R 0.00	-R 1 350.00
Link Café Utility Contributions	R 0.00	R 30 000.00	R 30 000.00
EXPENSES	R2 745 882.93	R 3 049 766.32	R 303 883.39
Accounting, audit and consultancy costs	R27 174.92	R 27 000.00	-R 174.92
Ad Hoc, Relief & Support Staff	R48 700.00	R 54 000.00	R 5 300.00
Advertising	R7 804.00	R 14 000.00	R 6 196.00
Assessment - UCCSA Congregational Pen Regional Council	R22 625.63	R 23 076.00	R 450.37
Assessment - UCCSA Congregational SA Synod	R113 124.21	R 115 380.00	R 2 255.79
Assessment - UPCS Presbyterian General Assembly	R195 821.79	R 199 884.00	R 4 062.21
Assessment - UPCS Presbyterian Western Cape	R56 561.61	R 57 690.00	R 1 128.39
Bank charges	R18 429.11	R 18 000.00	-R 429.11
Building repairs and maintenance	R12 087.85	R 50 000.00	R 37 912.15
Church council	R12 091.16	R 14 600.00	R 2 508.84
Cleaning and sanitation	R13 760.35	R 18 960.00	R 5 199.65
Computer & software expenses	R14 911.51	R 16 250.00	R 1 338.45
Consumables for worship services	R10 251.03	R 14 400.00	R 4 148.97
Depreciation	R11 265.11	R 0.00	-R 11 265.11
Donations to Partner organisations	R1 645.00	R 0.00	-R 1 645.00
Electronics / Audio equipment repairs and maintenance	R4 520.00	R 12 000.00	R 7 480.00
Entertainment	R 0.00	R 12 000.00	R 12 000.00
Furniture and fittings repairs and maintenance	R11 982.41	R 0.00	-R 11 982.41
Insurance	R69 784.88	R 70 800.00	R 1 015.12
Leadership Training	R 300.00	R 0.00	-R 300.00
Lease of equipment	R19 071.34	R 20 550.00	R 1 478.66
Licences	R504.00	R 0.00	-R 504.00
Link cafe profit / losses	R27 044.12	R 0.00	-R 27 044.12
Municipal services	R124 283.00	R 177 243.60	R 52 960.60
Next Generation Ministry	R0.00	R 10 800.00	R 10 800.00
Printing & Stationery	R30 749.81	R 31 200.00	R 450.19
Refreshments	R6 447.82	R 16 560.00	R 10 112.18
Relocation expenses	R70 000.00	R 0.00	-R 70,000.00
Resources (books, DVS, music)	R10 458.84	R 17 200.00	R 6 741.16
Salaries & wages - Employer taxes paid	R7 815.90	R 9 000.00	R 1 184.10
Salaries & wages - other benefits	R21 670.00	R 23 640.00	R 1 970.00
Salaries and wages	R1 701 660.33	R 1 940 262.72	R 238 602.39
Security	R10 570.01	R 9 240.00	-R 1 330.01
Subscriptions	R3 259.00	R 3 250.00	-R 9.00
Telephone & Internet	R55 794.65	R 59 400.00	R 3 605.35
Workman's compensation	R3 713.54	R 11 000.00	R 7 286.46

Appointment of Auditors

Freed Consulting (Pty) Ltd audited the accounts of SWUC for the 2019 financial year. Their favourable report is contained in the full 2019 audited financial statements of SWUC, which are available from the church office on request. Although an external professional audit is not strictly required of SWUC, we do get a full set of monthly management statements and final audited financial statements from Freed Consulting (Pty) Ltd. The Council request for this accounting firm to be reappointed for the 2020 financial year.

Financial position as at 31 January 2020

INCOME SOURCE	2020		VARIANCE (R-Value/%)	Jan 2020 vs Jan 2019		VARIANCE (R-Value/%)
	Actual	Budget		2020	2019	
Direct Giving	152,673	160,000	(7,326.53)/(4.6%)	152,673	138,636	14,037/10%
Other income	535	0	535/0%	535	0	535/0%
Fund Raising	0	0	0	0	0	0
Giving at Service	21,897	24,000	(2,103)/(8.8%)	21,897	23,349	(1,452)/(6%)
Interest	1,046	2,250	(1,203)/(53.5%)	1,046	1,666	(620)/(37%)
Link Café contri.	0	2,500	(2,500)/(100%)	0	0	0
Rental of Facilities	2,930	11,223	(8,293)/(73.9%)	2,930	850	2,080/245%
Special offerings	2,482	0	2,482/0%	2,482	0	2,482/0%
Insurance proceeds	60,385	0	60,385/0%	60,385	0	60,385/0%
Mission Fund Bevan	38,516	0	38,516/0%	0	0	0
Total Income	280,464	199,973	80,491/40%	280,464	164,501	115,963/70%

EXPENSE SOURCE	2020		VARIANCE (R-Value/%)	Jan 2020 vs Jan 2019		VARIANCE (R-Value/%)
	Actual	Budget		2020	2019	
Accounting	2,000	2,250	(250)/(11.1%)	2000	1,850	150/8%
Relief/Supp. Staff	2,900	4,500	(1,600)/(35.6%)	2,900	2,450	450/18%
Assessments	26,549	28,085	(1,536)/(5%)	26,549	28,138	(1,589)/(6%)
Bank Charges	1,158	1,500	(342)/(22.8%)	1,158	1,258	(100)/(8%)
Building maintain	308	4,400	(4,092)/(93%)	308	1,561	(1,253)/(80%)
Cleaning	915	1,580	(665)/(42%)	915	2,167	(1,252)/(58%)
Computer/Sware	190	4,175	(3,985)/(95.4%)	190	3,026	(2,836)/(94%)
Consume@Wserv.	4,534	1,200	3,334/278%	4,534	659	3,875/588%
Fire(Extra expense)	8,690	0	8,690/0%	8,690	0	8,690/0%
Insurance	5,672	5,900	(228)/(4%)	5,672	5,222	450/9%
Entertainment	553	1,000	(447)/(44.7%)	553	0	553/0%
Lease of Equip.	1,585	1,700	(115)/(7.6%)	1,585	1,599	(14)/(1%)
Security	834	770		834	765	69/9%
Municipal services	11,302	14,770	(3,468)/(23.5%)	11,302	8,961	2,341/26%
Printing	4,109	2,600	1,509/58%	4,109	3,004	1,105/37%
Subscriptions	450	1,050		450	0	450/0%
Salaries	153,549	163,534	(9,985)/(6%)	115,033	63,629	51,404/81%
Tel./Internet	4,599	4,950	(351)/(7.1%)	4,599	4,363	236/5%
Total Expenses	229,797	256,144	(26,347)/(10%)	229,797	144,868	84,929/59%

SURPLUS/(DEFICIT)	2020		VARIANCE (R-Value/%)	January / YTD		VARIANCE (R-Value/%)
	Actual	Budget	106,837/190%	2020	2019	31,034/158%
	50,667	(56,171)		50,667	19,633	



Johan Pretorius
Treasurer