



**ANGLICAN CHURCH OF SOUTHERN AFRICA - DIOCESE OF
JOHANNESBURG
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Index

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

Contents	Page
Trustees' Responsibilities and Approval	2
Independent Auditor's Report	3 - 4
Bursar's Report	5 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Accounting Policies	11 - 14
Notes to the Annual Financial Statements	15 - 22

Level of assurance

The annual financial statements are audited.

Published

19 September 2016

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Trustees' Responsibilities and Approval

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Trustees are responsible for determining that the annual financial statements are in agreement with the Canons and Constitution of the Anglican Church of Southern Africa and the Rules of the Diocese of Johannesburg.


The Trustees are also responsible for the Diocese's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Diocese has adequate resources in place to continue in operation for the foreseeable future.

The Trustees of the Diocese confirm that as at Thursday, 31 December 2015, the assets of the Diocese, fairly valued, exceeded its liabilities, fairly valued.

The annual financial statements set out on page 5 - 22, were approved by the Trustees on 19 September 2016 and have been signed by:

Approval of financial statements on behalf of the Diocesan Trustees



Rt Revd Dr S M Moreo
Bishop of Johannesburg



Trustee

Independent Auditor's Report

To the Trustees of the Anglican Church of Southern Africa - Diocese of Johannesburg

Report on the Financial Statements

We have audited the annual financial statements of the Anglican Church of Southern Africa - Diocese of Johannesburg as set out on 8 - 22, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income and statement of changes in equity for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Annual Financial Statements

The Diocesan Trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting as set out in Note 1 to the financial statements, the requirements of the Canons and Constitution of the Anglican Church of Southern Africa, and the Rules of the Diocese of Johannesburg, and for such internal controls as the Trustees determine are necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Diocese's preparation and fair presentation of the annual financial statements 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 Diocese's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements of the Anglican Church of Southern Africa - Diocese of Johannesburg for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the annual financial statements, and the requirements of the Canons and Constitution of the Anglican Church of Southern Africa and the Rules of the Diocese of Johannesburg.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the annual financial statements, which describes the basis of preparation. The annual financial statements are prepared to provide financial information to the members of the Diocese and to meet the requirements of the Canons and Constitution of the Anglican Church of Southern Africa and the Rules of the Diocese of Johannesburg. As a result, the annual financial statements may not be suitable for another purpose. Our report is intended solely for the Trustees, Members and the Diocese of Johannesburg's legal filing requirements.

Other reports

As part of our audit of the annual financial statements for the year ended 31 December 2015, we have read the Bursar's report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The Bursar's report is the responsibility of the Trustees. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the Bursar's report and accordingly do not express an opinion thereon.

ECOVIS ARB Auditors Incorporated, 2B Riley Road, Bedfordview, South Africa, 2007 Phone: +27(0)11 450 4641 Fax: +27(0)11 455 4001
Postal address: P O Box 87583, Houghton, South Africa, 2041 Company registration number: 1999/016240/21 IRBA practice number: 927716E
Tax practitioner number: PR-0088147 E-Mail: johannesburg@ecovis.com / durban@ecovis.com Registered in: Johannesburg, South Africa
Directors: R Pieterse CA (SA), A D Pienaar CA (SA)

A member of ECOVIS International tax advisor's accountant's auditor's lawyers represented in more than 60 countries on 5 continents

ECOVIS International is a Swiss association. Each Ecovis Member Firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity. ECOVIS ARB is a Member Firm of ECOVIS International.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that ECOVIS ARB Auditors Inc. has been the auditor of the Anglican Church of Southern Africa - Diocese of Johannesburg for 4 financial years ended 31 December 2015.



ECOVIS ARB Auditors Inc.
Albert Daniel Pienaar
Director
Chartered Accountants (S.A.)
Registered Auditors

Johannesburg
19 September 2016

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Bursar's Report

The deputy bursar has pleasure in presenting his report for the year ended 31 December 2015.

1. Incorporation

The Diocese of Johannesburg is not an incorporated entity and operates as an unincorporated association not for gain.

2. State of Affairs of the Trustees and the Diocesan Finance Board

Main business and operations

The Diocesan Finance Board is responsible for the oversight of the financial and administrative affairs of the Diocese to ensure that the Diocese is managed on a sound financial footing. In terms of the provisions of Article XVIII of the Constitution of the Anglican Church of Southern Africa, it operates under authority delegated to it by the Diocesan Trustees.

3. General review of operations

We are pleased to report that the measures agreed at the Synod of the Diocese held in May 2015 to address the gap between the income and expenses of the Diocese are starting to bear fruit. The income of the Diocesan Finance Board has increased by 19,4%, mainly as a result of income sharing activities. We are grateful for the generous special donations received from some parishes. Expenses remain under pressure with the biggest contributor remaining the ongoing cost of funding medical aid for retired clergy.

The Trustees showed a deficit of R683 325 (2014: R727 584) for the year. The biggest cost remains the interest payable on the loan to fund the St Joseph's Diocesan Centre amounting to R605 160 for the year (2014: R535 306).

As a result, the Diocese reflected a comprehensive deficit for the year of R1 689 117 (2014: R1 961 625).

4. Medical aid for retired clergy

The ongoing costs of funding medical aid for retired clergy remain an issue with costs for the current year amounting to R1 861 097 (2014 - R1 793 993). In order to try and limit the impact of these costs in the future, a number of measures were implemented as follows:

Change in benefits

With effect from 1 January 2016, arising from a decision taken at the Synod in May 2015, the medical aid benefit for all clergy, including those who have already retired, was reduced resulting in the cost of premiums falling by approximately 35%. This action reduced the future liability at 31 December 2015 sharply from six months earlier.

Change in contribution rate towards funding post-retirement medical aid

The Synod in May 2015 resolved that the saving achieved through reducing the cost of current medical aid premiums plus an additional contribution of R800 per month should be switched into saving for post-retirement medical aid. This action resulted in a material increase in the value ascribed to the funding plan that aims to accumulate money to pay the benefits when they become due.

Net result of the above

By decreasing the cost of the medical aid cover to be provided to retirees (through a reduced benefit) and increasing the rate of saving to fund the benefit, a material reduction in the net liability from R48.4 million to R11.2 million was achieved.

Management of the liability for post-retirement medical aid

The arrangements now in place should permit the entire cost of post-retirement medical aid to be fully funded for all priests born after 1 January 1955.

Funding for active clergy who were born in 1954 or earlier, along with retired clergy, will continue to be sourced partly from reserves accumulated for this purpose that are attributable to them (31 December 2015: R5 410 355) and partly out of the annual income of the Diocesan Finance Board.

An assessment of the degree to which the scheme is funded will be undertaken at intervals of not more than three years, with the next assessment taking place no later than 31 December 2018.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Bursar's Report

5. Funds operated under the auspices of the Trustees

A number of funds were opened over the years to operate under the control of the Trustees which are detailed at Notes 10 to the financial statements. A review of the nature of these funds was undertaken and it was decided to transfer the balances on these funds at 31 December 2015 to the Development Fund Reserve where they would be more appropriately managed. This transfer amounting to a total of R3 791 264 is reflected in the Statement of Changes in Equity.

6. Going concern

These financial statements present the financial position of the Diocese but do not include the assets, liabilities and results of the 75 Parishes, various organisations and schools which form part of the Diocese.

The Diocesan Trustees and the Diocesan Finance Board are satisfied that the Diocese remains a going concern and will be able to meet its liabilities on an ongoing basis.

7. Basis of accounting

The Diocese comprises 75 parishes and some associated organisations which operate under the Diocesan mandate, all of which prepare and present their own financial statements.

8. Prior period adjustment

During the year under review an error amounting to R423 462 was discovered relating to donations to, and grants made by, the Development Fund that should have been recognised prior to 2011. Development Fund comparative opening balance has been restated to include the error, please refer to the Statement of Changes in Equity.

9. Events after the reporting period

The Trustees are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

10. Auditors

Albert Daniel Pienaar of ECOVIS ARB Auditors Inc. will continue in office for the next financial period.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Bursar's Report

11. Trustees


The Trustees of the Diocese during the year and to the date of this report are as follows:

Name	Office	Date of Appointment / Resignation
Bishop Steve Moreo	Bishop of Johannesburg	
Adv. Ronnie Bracks	Chancellor	
Jill Oliphant	Registrar	
Tholoana Makhu	Deputy Register	
David Butcher	Synod Elected Member	
Judge Nigel Willis	Synod Elected Member	Retired on 15 May 2015
John Bellew	Synod Elected Member	Retired on 15 May 2015
Leslie Mogoro	Synod Elected Member	Retired on 15 May 2015
Thipe Mthuloe	Synod Elected Member	Appointed on 15 May 2015
Mooketsi Motsisi	Synod Elected Member	Appointed on 15 May 2015
Funeka Ndungane	Synod Elected Member	Appointed on 15 May 2015
Ludwig Frahm-Arp	Appointed Advisor	
Rick Sharland	Appointed Advisor	

12. Bursar

The Bursar, Mark Franklin tendered his resignation on 31 December 2015 and no new appointment has been made at the date of this report.

Deputy Bursar
Joel Dikgole
20 Herman Street
Sophiatown


J. Dikgole

Monday, 19 September 2016

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

Figures in Rand	Note(s)	31 December 2015	31 December 2014
Assets			
Non-Current Assets			
Fixed assets	2	130 611	165 493
Property held by the Diocesan Trustees	3	10 833 376	10 682 934
Diocesan Development Fund assets held by the Trustees	4	7 298 561	3 351 279
		18 262 548	14 199 706
Current Assets			
Inventories	6	89 511	52 245
Parishes and other debtors	7	6 268 511	3 010 893
Other accounts receivable		112 528	396 420
Diocesan Deposit Fund	8	-	3 903 188
Cash and cash equivalents	9	76 902	231 036
Diocesan Deposit Fund - Diocesan Finance Board	10	10 946 942	9 145 987
		17 494 394	16 739 769
Total Assets		35 756 942	30 939 475
Equity and Liabilities			
Equity			
Development Fund Reserve		7 298 562	3 518 840
Accumulated Deficit - Diocesan Finance Board		(6 896 801)	(6 240 510)
Accumulated Surplus - Trustees		1 452 031	2 135 355
		1 853 792	(586 315)
Liabilities			
Non-Current Liabilities			
Diocesan Finance Board		7 687 891	5 554 485
Diocesan Finance Board - specific funds	10	10 946 942	9 145 988
Diocesan Trustees - specific funds	11	-	3 903 188
		18 634 833	18 603 661
Current Liabilities			
Current tax payable		4 909 403	3 047 795
Due to the Diocesan Deposit Fund - Diocesan Trustees		7 862 615	7 295 659
Trade and other payables	12	2 496 299	2 578 675
		15 268 317	12 922 129
Total Liabilities		33 903 150	31 525 790
Total Equity and Liabilities		35 756 942	30 939 475

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	Year ended 31 December 2015	Year ended 31 December 2014
DIOCESAN FINANCE BOARD			
Income			
Donations received		12 000	63 016
Financing activities		706 743	678 655
Organisational contributions		86 000	87 900
Parishes without Rectors - Stipend Recovery		331 129	406 315
Parochial contributions		6 813 479	6 237 140
Income from tax benefit sharing		483 844	-
Special appeals		613 600	911 700
Special donations from Parishes		577 203	56 000
		9 623 998	8 440 726
Expenditure			
Bishop's office		(1 476 874)	(1 449 427)
Diocesan administration office	13	(2 736 588)	(2 503 823)
General Diocesan expenses		(1 246 219)	(1 000 735)
Training		(1 210 930)	(1 155 917)
Retired persons		(1 994 732)	(2 046 209)
ACSA - Common Provincial fund		(1 702 371)	(1 593 607)
Outreach		(100 114)	(103 072)
Taxation reversed for prior years (see Trustees)		187 539	-
		(10 280 289)	(9 852 790)
Net deficit of Diocesan Finance Board for the year		(656 291)	(1 412 064)
DIOCESAN TRUSTEES			
Income from Trust assets	14	1 087 983	812 262
Expenditure relating to the Trust assets	15	(1 771 307)	(1 539 846)
Net deficit of the Diocesan Trustees for the year		(683 324)	(727 584)
Net deficit of the Diocesan Finance Board and Diocesan Trustees for the year		(1 339 615)	(2 139 648)
DIOCESAN DEVELOPMENT FUND			
Finance income - Diocesan Development Fund	16	343 571	178 023
Grants paid - Diocesan Development Fund	17	(693 622)	(64 474)
Net surplus/(deficit) of Diocesan Development Fund for the year		(350 051)	113 549
Total comprehensive deficit for the year		(1 689 666)	(2 026 099)

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

	Development Fund Reserve	Retained income - Diocesan Finance Board	Retained income - Diocesan Trustees	Total equity
Figures in Rand				
Opening balance as previously reported	2 981 831	(4 828 446)	2 864 043	1 017 428
Adjustments				
Prior period error	423 460	-	(1 104)	422 356
Balance at 01 January 2014 as restated	3 405 291	(4 828 446)	2 862 939	1 439 784
Diocesan surplus/(deficit) for the year	113 549	(1 412 064)	(727 584)	(2 026 099)
Total comprehensive deficit for the year	113 549	(1 412 064)	(727 584)	(2 026 099)
Balance at 01 January 2015	3 518 840	(6 240 510)	2 135 355	(586 315)
Diocesan surplus/(deficit) for the year	(350 051)	(656 291)	(683 324)	(1 689 666)
Total comprehensive surplus/(deficit) for the year	(350 051)	(656 291)	(683 324)	(1 689 666)
Transfer of balances from Specific Reserve Funds (Note 11)	4 129 773	-	-	4 129 773
Total changes	4 129 773	-	-	4 129 773
Balance at 31 December 2015	7 298 562	(6 896 801)	1 452 031	1 853 792

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the Canons and Constitution of the Anglican Church of Southern Africa and the Rules of the Diocese of Johannesburg. The annual 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

The Trustees did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

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 held by the Diocesan Trustees

Property held by the Diocesan Trustees is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All land and buildings acquired by parishes and institutions are registered in the name of the Diocesan Trustees as required by the Canons of the Anglican Church of Southern Africa, but only those acquired directly by the Diocesan Trustees are reflected in the statement of financial position.

Land and buildings are stated at cost. Improvements to freehold property are not depreciated. All repairs and minor renovations of buildings are written off immediately.

1.3 Fixed assets

Fixed assets are tangible items that are held for use in the supply of services and are expected to be used during more than one period.

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of computers and office equipment held by the Diocesan Finance Board and costs incurred subsequently to add to, or replace part of it. If a replacement cost is recognised in the carrying amount of an item of computers and office equipment held by the Diocesan Finance Board, the carrying amount of the replaced part is derecognised.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Accounting Policies

1.3 Fixed assets (continued)

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the computers and office equipment held by the Diocesan Finance Board as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	2 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.4 Parochial contributions

Each Parish promises of its own volition an annual contribution to Diocesan expenses. The financial position of each Parish varies through the year and this may affect their ability to meet the promised contribution. Accordingly the Diocesan Finance Board only brings to account contributions actually received during the year.

1.5 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. Those debt instruments 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.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

1.6 Diocesan Deposit Fund accounting

The Diocesan Deposit Fund holds funds in Trust for various parishes and diocesan organisations and invests the funds on their behalf. Therefore only the net balance of the assets and liabilities is incorporated into the Statement of Financial Position.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Accounting Policies

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on the straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

Inventories are measured at the lower of cost and estimated net selling price, on the first-in, first-out (FIFO) basis.

1.9 Impairment of assets

The Diocese assesses at each reporting date whether there is any indication that computers and office equipment held by the Diocesan Finance Board may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.10 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.

Benefits for Retired Stipendiary Clergy and their spouses

Stipendiary clergy with at least sixteen years of service, and subject to certain other qualifying criteria, are entitled to free medical aid from the medical scheme used for active clergy upon retirement at the normal retirement date laid down in the provincial pension and provident funds, on a joint or survivor basis with their spouses. Costs in this regard are partially funded through specific funds and are partially expensed as incurred. Certain clergy who have been retired for many years whose pensions are inadequate receive ex gratia supplementary grants which are expensed as incurred. Stipendiary clergy are required to belong to either the defined benefit pension fund (now closed to new members) or a defined contribution provident fund that serve the Anglican Church of Southern Africa. Contributions are paid by parishes and members monthly.

1.11 Provisions and contingencies

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

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Accounting Policies

1.12 Borrowing costs

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

1.13 Trade and other receivables

Trade and other receivables originated by the Diocese are stated at cost less provision for doubtful debts.

1.14 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.15 Investment income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
------------------------	--	--

2. Fixed assets

Summary of computers and office equipment held by the Diocesan Finance Board

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computers and office equipment	948 748	(818 137)	130 611	944 302	(778 809)	165 493

Reconciliation of computers and office equipment held by the Diocesan Finance Board - 2015

	Opening balance	Additions	Depreciation	Total
Computers and office equipment	165 493	4 446	(39 328)	130 611

Reconciliation of computers and office equipment held by the Diocesan Finance Board - 2014

	Opening balance	Additions	Depreciation	Total
Computers and office equipment	239 476	4 214	(78 197)	165 493

3. Property held by the Diocesan Trustees

Reconciliation of property held by the Diocesan Trustees - 2015

	Opening balance	Additions resulting from capitalised subsequent expenditure	Transfers	Total
Investment property	10 682 934	30 442	120 000	10 833 376

Details of properties

Bishop's House, 4 Crescent Drive, Westcliff	274 529	274 529
St. Joseph's Centre, Sophiatown	10 438 847	10 408 404
Portion 1, Lot 52 12th Avenue Ruimsig	120 000	-
	10 833 376	10 682 933

Portion 1, Lot 52 12th Avenue Ruimsig was transferred from Development fund assets held by the Trustees to property held by the Trustees during the year under review in order to reflect a more appropriate classification.

Other properties

Properties held in the financial statements of parishes and Diocesan organisations are not included in the above as they appear in the individual financial records of the relevant parishes, however they are registered per the title deeds in the name of the Trustees of the Diocese of Johannesburg. The insured value of these properties as at 31 December 2015 was R1 536 307 718 (2014: R1 287 502 770). In addition, properties owned by various Diocesan organisations and schools are also registered in the name of the Trustees of the Diocese but have not been included in the insured value.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
4. Development fund assets held by the Trustees		
Undeveloped property in Ruimsig		
Portion 1, Lot 52 12th Avenue Ruimsig		120 000
This property was transferred to Property held by the Trustees during the year under review.		
Community centre in Randfontein		
Kaphadisa Street, Mohlakeng	245 720	245 720
Undeveloped property in Cosmo City		
Land - Cosmo City	167 158	167 158
Diocesan Deposit Fund		
Funds on deposit - Development Fund	5 410 919	1 034 502
Loans to Parishes and institutions		
Buitfontein	-	29 399
East Bank Parish	388 296	388 296
Cosmo City	15 144	-
Hillbrow	19 221	30 076
Phakamani	249 493	298 511
Protea Glen	462 527	514 846
Rabie Ridge	102 318	97 385
Randfontein	-	178 223
Ruimsig	141 866	135 026
Simunye	95 899	112 137
	1 474 764	1 783 899
Total	7 298 561	3 351 279

The above loans to Parishes and institutions are unsecured, bear interest at 5% (2014: 5%) and are being repaid at agreed monthly rates based on the individual circumstances of the borrower.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
5. Diocesan Deposit Fund - Net assets		
Diocesan Deposit Fund assets		
Property loan - Diocesan Trustees	7 862 616	7 295 659
Funds on short-term deposit with Stanlib	19 766 269	24 926 067
Cash at bank	2 146 781	591 169
Diocesan Finance Board - short term loan	7 687 891	5 554 491
Medium term loans to Diocesan units (see detail below)	14 952 291	14 077 883
Total Diocesan Deposit Fund assets	52 415 848	52 445 269
Diocesan Deposit Fund liabilities		
Parishes	(21 221 273)	(22 721 612)
Diocesan Trustees - Development Fund	(5 410 919)	(2 735 783)
Diocesan Finance Board - specific funds	(10 821 894)	(11 499 630)
Diocesan organisations	(14 081 100)	(15 249 845)
Sundry creditors	(755 614)	(142 866)
Total Diocesan Deposit Fund liabilities	(52 290 800)	(52 349 736)
Diocesan Deposit Fund liabilities	(52 290 800)	(52 349 736)
Diocesan Deposit Fund assets	52 415 848	52 445 269
Total net Diocesan Deposit Fund assets	125 048	95 533
Medium term loans to Diocesan units		
Parish of Alexandra	-	139 356
Parish of Brixton	838 450	534 947
Parish of Fochville	476 467	404 966
Parish of Diepkloof - St Stephen's	316 381	377 232
Parish of Discovery	325 532	245 147
Parish of Halfway House	728 902	843 589
Parish of Krugersdorp	862 162	583 491
Parish of Munsieville	101 562	-
Parish of Ruimsig	26 034	24 853
Parish of Fourways Gardens	1 645 373	1 341 049
Mothers' Union - Parish of Jabavu	40 244	46 976
Bishop Bavin School	8 655 222	8 681 304
Sundry Loans	935 962	854 973
	14 952 291	14 077 883
6. Inventories		
Books, stationery and Church supplies	89 511	52 245
7. Parishes and other debtors		
Cathedral and Parishes for tax	6 087 316	2 860 256
Trade receivables	181 195	150 637
	6 268 511	3 010 893

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
8. Diocesan Deposit Fund		
Bishop's Appeal 00 Greenfields Parish	-	131 105
Bishop's Appeal 96 Clergy Housing	-	271 447
Bishop's Appeal 97 Moveable Churches	-	287 793
Huddleston Memorial Church	-	2 108 788
Sophiatown Huddleston Memorial Church	-	990 774
St. Ansgar's Land Proceeds	-	113 281
	-	3 903 188

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	8 739	8 739
Bank balances	68 163	222 297
	76 902	231 036

10. Diocesan Finance Board - specific funds

Reconciliation of Diocesan Finance Board - specific funds - 2015

	Opening balance	Additions	Utilised during the year	Total
Joint Ordination Candidates Fund	607 730	16 182	-	623 912
Pensioners Medical Fund - Post 1955	-	715 000	-	715 000
Pensioners Medical Fund - Pre 1955	4 610 815	1 514 540	(715 000)	5 410 355
Group Life Benefit Fund	2 580 410	197 911	-	2 778 321
Clergy and Family Education Fund	1 251 499	42 807	-	1 294 306
Diocesan Deposit Fund	95 534	29 514	-	125 048
	9 145 988	2 515 954	(715 000)	10 946 942
Diocesan Deposit Fund				
Balance at beginning of year			95 534	81 026
Income				
Interest received - Diocesan sources			2 621 858	2 277 582
Interest received - Third parties			1 412 253	1 444 726
			4 129 645	3 722 308
Expenses				
Audit fees			(30 000)	(38 478)
Bank charges			(61 507)	(12 067)
Diocesan Finance Board admin fee			(301 906)	(297 654)
Interest paid			(3 611 184)	(3 344 617)
Loss on investment			-	(14 984)
			(4 004 597)	(3 707 800)
			125 048	95 534

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
11. Diocesan Trustees - specific funds		
Bishop's Appeal 00 Greenfields Parish	-	131 105
Bishop's Appeal 96 Clergy Housing	-	271 447
Bishop's Appeal 97 Moveable Churches	-	287 793
Huddleston Memorial Church	-	2 108 788
Sophiatown Huddleston Memorial Church	-	990 774
St. Ansgar's Land Proceeds	-	113 281
	-	3 903 188

During the year under review the above specific funds were transferred to the Development Fund reserve.

Non-current liabilities

At amortised cost	-	3 903 188
-------------------	---	-----------

12. Trade and other payables

Accrued expenses	1 195 014	1 291 216
Provision for audit fees	319 387	738 722
Provision for costs relating to property sales	450 000	450 000
Provision for leave pay	98 737	98 737
Refilwe - St Ansgar's land proceeds	119 369	-
Sundry payables	313 792	-
	2 496 299	2 578 675

13. Audit fees

Audit fees	183 000	190 037
------------	---------	---------

Diocesan administration office expenses relating to the Diocesan Finance Board includes audit fees amounting to 2015: R 183 000 (2014: R190 037).

14. Income from Trust assets

St. Joseph's Centre - Rental Received	(296 900)	(318 150)
St Elizabeth Creche proceeds insurance claim	-	(5 888)
Net proceeds on sale of property	(491 083)	-
St. Joseph's Centre - Donations from Parishes	(300 000)	(500 000)
	(1 087 983)	(824 038)

15. Expenditure relating to Trust assets

Audit fees	-	(20 739)
Bad debts	(178 223)	(182 149)
Interest paid	(605 243)	(535 306)
Legal fees	(65 505)	(28 757)
St. Joseph's Centre - salaries and municipal expenses	(440 605)	(770 695)
Taxation -prior years (note 16)	(481 731)	-
Sundry expenses	-	(2 200)
	(1 771 307)	(1 539 846)

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
16. Finance income - Diocesan Development Fund		
Net interest on loans to Parishes	118 958	67 846
Net interest from the Diocesan Deposit Fund	224 613	110 177
	343 571	178 023

17. Grants paid - Diocesan Development Fund

Heading		
Rabie Ridge - Bon Abbey project	543 622	-
Mzimhlophe	150 000	-
Cosmo City	-	64 474
	693 622	64 474

18. Taxation

The Diocese, inclusive of all parishes and those Diocesan organisations which have not registered as Public Benefit Organisations in their own right, has been approved as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act ("the Act"). Accordingly, receipts and accruals derived from activities that are integral to the functioning of the Diocese in pursuit of its principal object and which do not result in unfair competition with taxable entities (referred to as the "net commercial income") are exempt from income tax in terms of section 10(1)(cN) of the Act. Income tax is payable on the Diocese. Such net income is taxable at 28% (2014: 28%).

The taxation charge against the Diocesan Trustee income comprises assessments received for the period 2009 to 2014 are as follows:

Year of assessment	Total tax assessed	Recovered from Parishes	Net charge
2009	499 388	(471 754)	27 634
2010	962 457	(961 829)	628
2011	1 186 452	(971 589)	214 863
2012	1 313 372	(1 199 675)	113 697
2013	852 760	(852 760)	-
2014	1 186 675	(1 145 866)	40 809
2015	84 100	-	84 100
	6 085 204	(5 603 473)	481 731

An overprovision for taxation charged to the Diocesan Finance Board in 2011 of R187 539 was reversed.

19. Going concern

These financial statements present the financial position of the Diocese and do not include the assets, liabilities and results of the 75 Parishes, various organisations and schools which form part of the Diocese.

The Diocesan Trustees and the Diocesan Finance Board are satisfied that the Diocese remains a going concern and will be able to meet its liabilities on an ongoing basis.

20. Contingent liabilities

The Diocese has a contingent liability in respect of the funding of future payments to retired clergy in respect of augmented pensions and post-retirement medical aid. As at 31 December 2015 this amount has been determined as R11,2 million which costs will be met out of future income.

Anglican Church of Southern Africa - Diocese of Johannesburg
Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

Figures in Rand	Year ended 31 December 2015	Year ended 31 December 2014
------------------------	--	--

21. Prior period error

Fixed assets

During the year under review an error amounting to R423 605 was discovered that relates to donations to and grants by the Development Fund that should have been recognised prior to 2011. Development fund comparative opening balance has been restated to include the error, please refer to the Statement of Changes in Equity.

The is no impact on tax as the donation is exempt from income tax.