

Executive Committee's responsibilities and approval

The Executive Committee is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is our responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of the its operations and cash flows for the period then ended, in conformity with the accounting policies of the association. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the accounting policies of the association and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

We acknowledge that we are ultimately responsible for the system of internal financial controls established by the association and places considerable importance on maintaining a strong control environment. We are of the opinion 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 financial statements have been prepared on an ongoing basis, since the Executive Committee believe that the association has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements have been examined by our external auditors and their report is presented on pages 3 to 4.

The annual financial statements which appear on pages 5 to 10 were approved by the Executive Committee on 05 July 2010 and signed on their behalf by:

S. Lelehi

Chairman

L Ginindza

Treasurer

Report of the Independent Auditors

To the Executive Committee of the Black Methodist Consultation

We have audited the accompanying financial statements of Black Methodist Consultation, which comprise the balance sheet as at 31 May, 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages.

Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as set out in note 1 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Limitation of scope - Qualified opinion

In common with similar organisations, it is not feasible for the association to institute controls over cash collection prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly, in all material respects the financial position of Black Methodist Consultation as of May 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as set out on Note 1.



Sondlo Consulting Services

Registered Auditors

49 Ninth on Lever

Midrand

5 July 2010

BLACK METHODIST CONSULTATION
A formation within the Methodist Church of Southern Africa
BALANCE SHEET
AT 31 MAY 2010

	Notes	2010 R	2009 R
ASSETS			
NON CURRENT ASSETS			
Investments	2	374 665	361 700
CURRENT ASSETS			
Bank and Cash		5 105	44 560
Advance to hosting district		2 822	24 560
Debtor - KNB District		-	20 000
		2 282	-
TOTAL ASSETS		379 769	406 261
FUNDS AND LIABILITIES			
FUNDS			
Accumulated Funds		374 269	401 261
CURRENT LIABILITIES			
Trade and other payables		5 500	5 000
TOTAL FUNDS AND LIABILITIES		379 769	406 261

BLACK METHODIST CONSULTATION
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INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 R	2009 R
Revenue		313 367	214 631
Registration Fees	5	156 150	111 200
Ernest Baartman Fund	4	135 017	90 111
Commitment Fees	5	22 200	13 320
Other Income		34 154	39 924
Interest Received		18 634	26 264
Calender sales		5 360	-
February Meeting		3 560	1 840
Hymn Book Sales		2 300	365
Bed and Breakfast (BnB)		4 300	-
Special Fund Raising Effort		-	6 000
Refundable deposit- Annual Conference		-	5 000
Income from promotional items		-	455
		347 521	254 555
Expenditure		354 513	302 794
Operating Expenditure		269 575	167 794
Audit Fees		5 500	6 434
Bank Charges		1 786	919
Calenders		6 380	-
Conference expenses		7 915	-
District Executive Meeting		-	3 000
Entertainment		89	-
Gifts		1 080	1 621
Gratuities to speakers	9	3 000	4 610
Hymn books		2 400	1 000
February Meetings		6 000	7 460
Printing and stationery		14 390	6 678
Registration Refund		1 000	2 080
Registration and Accommodation		189 878	106 600
Special condolences		500	-
Travelling	8	29 658	22 092
DVD/Cassettes		-	5 300
Non operating expenditure		84 938	135 000
Bursary Fund		-	30 000
Capacity Building		59 938	-
Seth Mokitimi Seminary		25 000	105 000
Surplus/(deficit) funds for the year		-6 992	-48 239
Accumulated funds at the beginning of the year		401 261	449 500
Correction of prior year figures	6	-20 000	
Accumulated funds at the end of the year		374 269	401 261

BLACK METHODIST CONSULTATION
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 R	2009 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	3	-12 307	-95 504
Interest Received		18 634	26 264
Net cash inflow from operating activities		6 327	-69 240
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments		<u>-28 065</u>	<u>33 735</u>
Increase/(decrease) in cash and cash equivalents		-21 738	-35 505
Cash and cash equivalents at the beginning of the year		24 560	60 065
Cash and cash equivalents at the end of the year		<u>2 822</u>	<u>24 560</u>

BLACK METHODIST CONSULTATION
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010

1. Accounting Policies

The annual financial statements have been prepared in accordance with the accounting policies of the association. 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 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. All assets that are below R10,000 are expensed during the year of acquisition.

1.2 Financial Instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.3 Investments

Investments carried on the balance sheet consist of unlisted investments and are carried at fair value.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Revenue

Revenue is measured at fair value of the consideration received or receivable and represents donations, sales from promotional items, registration and commitments.

2. Investments	2010	2009
	R	R
Methodist Connexional Office		
Balance at the beginning of the year	361 700	335 436
Movement during the year		
Interest received	18 634	26 264
Deposits	54 330	-
Withdrawals	-60 000	-60 000
Balance at the end of the year	<u>374 665</u>	<u>361 700</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2010

3. Cash generated from operations	2010	2009
Surplus/(deficit) of funds for the year	-11 891	-48 239
Adjustment for:		
Interest received	-18 634	-26 264
	<u>-30 525</u>	<u>-74 503</u>
Movements in working capital		
Decrease /(Increase) in trade and other receivables	17 718	-20 000
Increase/(decrease) in trade and other payables	500	-1 001
Cash generated from operations	<u>-12 307</u>	<u>-95 504</u>

4. Ernest Baartman Fund	2010	2009
	R	R
District		
Central	6 785	504
Northern Free State and Lesotho	1 654	1 000
Cape of Good Hope	5 931	2 372
Natal West	4 619	3 938
Queenstown	24 526	7 344
Kimberely, Namibia & Bloemfontein	11 953	7 435
Clarkebury	8 479	10 348
Limpopo	18 882	10 727
Grahamstown	11 569	10 857
Natal Coastal	27 532	16 015
Mozambique	565	-
Umkhuzezelo	658	-
Highveld & Swaziland	11 864	19 571
	<u>135 017</u>	<u>90 111</u>

5. Registration and Commitment

District	Registration	#	Commitment	#
NFL	900	2		
Natal West	3 150	7	240	4
Cape of Good Hope	7 650	17	1 500	25
Central	3 600	8	600	10
Clarkebury	6 750	15	1 500	25
Grahamstown	20 700	46	1 800	30
Highveld And Swaziland	14 400	32	4 200	70
KNB	28 350	63	2 880	48
Limpopo	23 850	53	2 280	38
Queenstown	12 600	28	2 520	42
Natal Coastal	34 200	76	4 680	78
	<u>156 150</u>	<u>347</u>	<u>22 200</u>	<u>370</u>

6. Correction of prior year figures

An amount of R20,000 which was accounted for as an advance prior year was reclassified as an expense in the current year. The correction has been made by adjusting the opening balance of the accumulated funds.

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FOR THE YEAR ENDED 31 MAY 2010

7. Bursary Fund	2010	2009
		R
Reverend S. Mothlodi	-	7 500
Reverend S. Madwe	-	7 500
Reverend M. Bosman	-	7 500
Reverend N. Geja	-	7 500
	<u>-</u>	<u>30 000</u>

8. Travelling	2010	2009
	R	R
S Leleki	16 383	9 187
J Mavuso	7 763	6 592
L Ginindza	2 312	113
M Madlavu	2 850	-
E Khoza	350	-
M Maluleka	-	1 500
S Madwe	-	1 500
M Caba	-	1 500
M Konyana	-	1 700
	<u>29 658</u>	<u>22 092</u>

9. Gratuities to Speakers	2010
	R
M Madlavu	1 000
Rev. Ernest Baartman	500
Rev. Lesshope	1 000
Raymond S Lukhele	500
	<u>3 000</u>