



"PHAKAMISA" is pronounced "PA-GA-MEE-SA" and means "TO LIFT UP, TO MAKE GROW"

PHAKAMISA Chairman's Report 2017/18

As I come to the end of my first year in office, I am so grateful to my predecessor, Rev Brian Brown, whose example, conduct and way with words I can mirror only dimly as I reflect on a year of tribulation and blessing.

First, the tribulation:

Just before our April Trust Meeting, we received two significant reports; one from a UK trustee (following a visit to Pinetown) and one from the Chairman of the South African Board. Both reports expressed concerns about the work of Phakamisa, one with an emphasis on financial issues and the other looking at operational challenges.

Financially, Phakamisa has in recent years been drawing upon reserves in order to maintain its scale of operation, as donations received have not kept pace with rising costs. There are a number of factors at play here:

- Annual inflation rate of 5%-6% in South Africa
- Fairly static levels of support from the UK (see later)
- Loss of, or reduction in, some international sources of income
- Detrimental exchange rate fluctuations

The UK contributes approximately two thirds of Phakamisa's annual income – around £65,000pa. However, the value of this income to Phakamisa has diminished by approximately 18%* between March 2016 and March 2018. At current levels of expenditure, the work of Phakamisa is simply not sustainable beyond the short term (1-2 years).

Operationally, the context within which Phakamisa seeks to "Lift up" or "Make grow" is changing. The impact of commercial marketing, combined with an innate human desire for improvement, has meant that many aspire to acquire goods and services of higher (perceived) status (we might think, for example, in terms of "designer" branded clothing). Consequently, some (but by no means all) of the children previously supported by Phakamisa are now relatively (that word is important) well clothed and well fed.

It is therefore time to change! Phakamisa needs to go back to its core mission and re-examine the ways in which that mission is delivered. This is the main challenge to be faced in the coming year.

Now onto the blessing:

In the UK we are blessed with many faithful, long-term supporters, who contribute significantly to the monthly transfers we make to Pinetown. The UK Trust is blessed with devoted, prayerful and experienced trustees who seek always to do their very best under God's direction. In South Africa, Neil Purdon and the SA Board, Thokozani and her team, seek to do the best they can, given the financial and operational constraints within which they work. And the Lord blesses that work greatly!

My sincere thanks go to all our supporters and UK trustees and especially to Rachel (Foulds) who has willingly taken on the role of Treasurer since I stepped down last year and has diligently discharged that role, including dealing with our bankers and overseeing the activities of the Finance Sub-committee.

Looking forward:

Finally, we look forward to being further blessed by the visit, in May 2019, of Thokozani, as we seek to break new ground in terms of UK support, as well as being brought up to date on the latest changes and news from Pinetown. This will undoubtedly be the highlight of a challenging, yet exciting year ahead.

Bob Mawer

*compound effect of exchange rate differences and local inflation for equivalent annual transfer

PHAKAMISA (UK)
FINANCIAL STATEMENTS 2017/18

BANK OF SCOTLAND ACCOUNT											
RECEIPTS				PAYMENTS							
2017	£	Interest	£	2017	£	Analysis of Payments					
	Receipts		Balance			£	£	£	£		
						Transfers	Fee	Tax on Interest	Other		
			6781.28 Bal b/f								
April	2262.03		4010.16 Bal c/f	April	5033.15	Transfer to Pinetown	5000.00	33.15			
May	6562.60		5287.31 Bal c/f	May	5285.45	Transfer to Pinetown	5000.00	32.82		252.63	
June	3193.34		3447.24 Bal c/f	June	5033.41	Transfer to Pinetown	5000.00	33.41			
July	8185.58		6599.73 Bal c/f	July	5033.09	Transfer to Pinetown	5000.00	33.09			
August	381.86		1733.52 Bal c/f	August	5248.07	Transfer to Pinetown	5000.00	32.97		215.10	
September	5692.31		2393.48 Bal c/f	September	5032.35	Transfer to Pinetown	5000.00	32.35			
October	13505.10		10677.26 Bal c/f	October	5221.32	Transfer to Pinetown	5000.00	32.32		189.00	
November	3130.02		8662.84 Bal c/f	November	5144.44	Transfer to Pinetown	5000.00	31.94		112.50	
December	2142.42		4750.26 Bal c/f	December	6055.00	Transfer to Pinetown	6040.00	15.00			
2018				2018							
January	5164.66		4879.92 Bal c/f	January	5035.00	Transfer to Pinetown	5020.00	15.00			
February	1174.12		1019.04 Bal c/f	February	5035.00	Transfer to Pinetown	5020.00	15.00			
March	4858.25		842.29 Bal c/f	March	5035.00	Transfer to Pinetown	5020.00	15.00			
			842.29 Bal c/f								
	56252.29	0.00			62191.28		61100.00	322.05	0.00	769.23	
PAYPAL ACCOUNT											
RECEIPTS				PAYMENTS							
2017	£		£	2017	£	Analysis of Payments					
	Receipts		Balance			£	£	£	£		
						Transfers	Commission				
			1408.24 Bal b/f								
April	20.00		1427.36 Bal c/f	April	0.88			0.88			
May			1427.36 Bal c/f	May							
June			1427.36 Bal c/f	June							
July	52.00		69.15 Bal c/f	July	1410.21		1408.24	1.97			
August			69.15 Bal c/f	August							
September			69.15 Bal c/f	September							
October			69.15 Bal c/f	October							
November			69.15 Bal c/f	November							
December	50.00		117.25 Bal c/f	December	1.90			1.90			
2018			117.25 Bal c/f	2018							
January	200.00		310.25 Bal c/f	January	7.00			7.00			
February	1000.00		1276.05 Bal c/f	February	34.20			34.20			
March	75.00		0.00 Bal c/f	March	1351.05		1348.30	2.75			
	1397.00	0.00			2805.24		2756.54	48.70			
AFFIRMATIVE DEPOSIT ACCOUNT											
RECEIPTS				PAYMENTS							
2017	£	£	£	2017	£	Analysis of Payments					
	Transfers	Interest				£	£	£	£		
						Transfers	Fee	Tax on Interest	Other		
			200.52 Bal b/f								
April	2030.00	0.49	2231.01 Bal c/f	April							
May	2060.00	0.46	200.46 Bal c/f	May	4091.01	4091.01					
June	1980.00	0.43	2180.89 Bal c/f	June							
July	2060.00	0.53	200.53 Bal c/f	July	4040.89	4040.89					
August	2000.00	0.45	2200.98 Bal c/f	August							
September	2080.00	0.57	200.57 Bal c/f	September	4080.98	4080.98					
October	2030.00	0.48	2231.05 Bal c/f	October							
November	2500.00	0.51	2700.51 Bal c/f	November	2031.05	2031.05					
December	1520.00	1.16	4221.67 Bal c/f	December							
2018			4221.67 Bal c/f	2018							
January	3000.00	1.04	3201.04 Bal c/f	January	4021.67	4021.67					
February	1700.00	1.20	4902.24 Bal c/f	February							
March	2000.00	2.04	6004.28 Bal c/f	March	900.00	900.00					
	24960.00	9.36			19165.60	19165.60					
TOTAL	82609.29	9.36		TOTAL	84162.12	21922.14	370.75			769.23	
RECONCILIATION STATEMENT											
		£	£					£	£		
		Opening balances	Closing balances					Receipts	Payments		
		01/04/2017	31/03/2018								
Bank of Scotland		6781.28	842.29			Gross Receipts		82618.65			
PayPal Account		1408.24	0.00			Payments			61100.00		
						Transfers to Pinetown			322.05		
						Fees for transfers					
						Tax					
						Other expenditure			769.23		
						PayPal Commission			48.70		
Affirmative Deposit Account		200.52	6004.28			Net transfers between accounts		-21922.14			
Total of balances		8390.04	6846.57			Total		60696.51	62239.98		
Net change in bank balances			-1543.47			Net Receipts		-1543.47			

Independent Examiner's Report to the Trustees of Pinetown Methodist Church Mission Trust (UK)

I report on the accounts of the Trust for the year ended 31 March 2018, which are set out on the attached page.

Respective Responsibilities of the Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- To state whether particular matters have come to my attention

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required during an audit and consequently no opinion is given as to whether the accounts present 'a true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

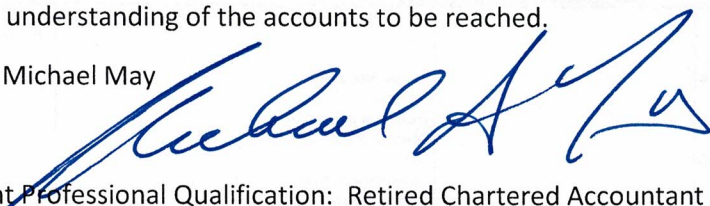
(1) which gives me reasonable cause to believe that in any material respect the requirements:

- To keep accounting records in accordance with section 130 of the 2011 act; and
- To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: Michael May



Relevant Professional Qualification: Retired Chartered Accountant

Address: 9 Links Crescent, Skegness, Lincolnshire, PE25 3AF

Date: May 8th, 2018

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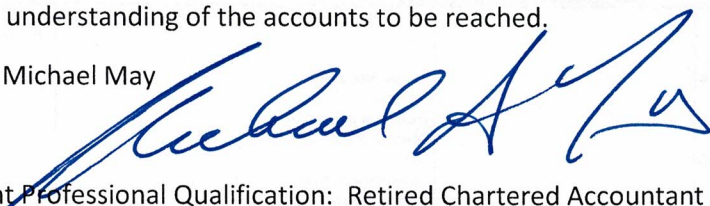
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