

**The South African Association for Food  
Science & Technology (SAAFoST)  
Annual Financial Statements  
for the year ended 31 December 2013**

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## General Information

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Country of incorporation and domicile	South Africa
Nature of business and principal activities	Food Science and Technology Promotion
Council: Elected	Ryan Ponquet Prof Amanda Minnaar Jannie van Aswegen Prof Ryk Lues Dr Gunnar Sigge James McLean Russell Hove Jacques van den Berg Grant Momplé Romy Stuhler
Council: By Invitation	Rosie Maguire Nigel Sunley
Council: X-Officio	Owen Frisby Irene Burke Tricia Fitchet
Registered office	Turners Conferences and Conventions 37 Margaret Mncadi Drive Durban 4000
Auditors	BDO South Africa Incorporated
Treasurer	Rosie Maguire

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

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The annual financial statements set out on pages 4 to 10, which have been prepared on the going concern basis, were approved by the Council on the 20 October 2014 and were signed on its behalf by:



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Owen Frisby  
Executive Director



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5A Rydall Vale Office Park  
38 Douglas Saunders Drive  
La Lucia Ridge, 4051  
PO Box 47  
La Lucia, 4153  
South Africa

## Independent Auditors' Report

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To the members of The South African Association for Food Science & Technology (SAAFoST)

We have audited the financial statements of South African Association for Food Sciences and Technology, as set out on pages 4 to 10, which comprise the balance sheet as at 31 December 2013, and the income statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Council's Responsibility for the Annual Financial Statements

The SAAFoST council members are responsible for the preparation of the financial statements in accordance with basis of accounting described in note 1, for determining the basis of preparation is acceptable in the circumstances and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' 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 auditors' judgement, 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 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.

### Opinion

In our opinion, the financial statements of The South African Association for Food Science & Technology (SAAFoST) for the year ended 31 December 2013 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

### Basis of Accounting

Without modifying our opinion, we draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the company's own accounting policies to satisfy the financial information needs of the Association's members. As a result, the financial statements may not be suitable for another purpose.

BDO South Africa Incorporated  
Mark Stewart  
Partner  
Registered Auditor

20 October 2014  
La Lucia Ridge

BDO South Africa Incorporated  
Registration number: 1995/002310/21  
Practice number: 905526E  
VAT number: 4910148685

National Executive: S Dansie • BJ de Wet • HCS Lopes • FD Schneider • SD Shaw • ME Stewart (Chief Executive) • A van der Hoek  
Office Managing Director: ME Stewart (Chief Executive)

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## Balance Sheet

Figures in Rand	Note(s)	2013	2012
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment (CSIR Office)	2	3 229	5 747
Other financial assets	3	1 940 653	3 146 570
		<u>1 943 882</u>	<u>3 152 317</u>
<b>Current Assets</b>			
Other financial assets	3	2 463	-
Trade and other receivables	4	43 353	10 713
Cash and cash equivalents	5	4 449 710	3 017 294
		<u>4 495 526</u>	<u>3 028 007</u>
<b>Total Assets</b>		<u><b>6 439 408</b></u>	<u><b>6 180 324</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated Funds		<u>4 401 638</u>	<u>6 013 264</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	2 037 770	167 060
<b>Total Equity and Liabilities</b>		<u><b>6 439 408</b></u>	<u><b>6 180 324</b></u>

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## Income Statement

Figures in Rand	Note(s)	2013	2012
<b>Revenue</b>			
Membership fees		1 150 542	960 484
<b>Other income</b>			
FST Advertising Income		880 354	843 801
Congress		8 503	-
Custodian Dinner		-	6 671
Dividend revenue		-	73 804
Interest received		164 702	172 811
Fair value adjustments		445 095	535 563
Sundry Income CB		10 031	55 236
Sundry Income NB		14 395	11 905
Sundry Income KZN		1 982	5 996
Surplus on SAAFoST Congress		1 546 690	-
SAAFoST NB & CB		33 250	-
		<b>3 105 002</b>	<b>1 705 787</b>
<b>Operating expenses</b>			
Academic awards and assistance		(7 000)	(114 947)
Accommodation and Travel		(100 242)	(219 723)
Advertising		(3 916)	(26 475)
Association management fees		(257 245)	(243 906)
Auditors remuneration		(12 000)	(27 000)
Bank charges		(7 764)	(20 128)
Branch subsidy		-	(290)
Congress		(5 954)	(11 250)
Computer expenses		(731)	(2 665)
Custodian Breakfast		(1 316)	(17 390)
Depreciation, amortisation and impairments		(2 518)	(2 518)
Dreosti/Ginsberg Award		(10 000)	-
Employee costs		(568 602)	(568 602)
Entertainment		(3 418)	(1 285)
Eskom Expo prize winners		-	(292 371)
FST Advertising Commission		(134 434)	(113 278)
FST Editors Fees		(161 772)	(140 231)
FST General Expenses		(138 233)	(65 697)
FST Postage		(56 972)	(55 768)
FST Printing Costs		(164 834)	(171 801)
IT expenses		(4 387)	(4 605)
Postage		(124)	(646)
Printing and stationery		(29 567)	(14 468)
Public Relations		(26 000)	-
Rent		(29 249)	(26 479)
SAAFoST Foundation		(4 025 800)	-
Sundry Expenses		(4 432)	-
Sundry Expenses CB		(18 412)	(79 261)
Sundry Expenses KZN		(8 993)	(9 675)
Sundry Expenses NB		(31 461)	(33 503)
Telephone and fax		(51 794)	(49 221)
		<b>(5 867 170)</b>	<b>(2 313 183)</b>
<b>(Loss) profit for the year</b>		<b>(1 611 626)</b>	<b>353 088</b>
Add : Opening retained Income		6 013 263	5 660 176
<b>Closing Retained Income</b>		<b>4 401 635</b>	<b>6 013 263</b>

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the accounting policies set out below. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment (CSIR Office)

The cost of an item of property, plant and equipment (CSIR office) is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity and
- the cost of the item can be measured reliably.

Item	Average useful life
Furniture and fixtures	5 years

Depreciation is charged to write off the cost of the asset over its expected useful life. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

#### 1.2 Financial instruments

##### Initial recognition

The Association classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Association's balance sheet when the Association becomes party to the contractual provisions of the instrument.

##### Fair value determination

The fair values of quoted investments are based on current bid prices.

##### Trade and other receivables

Trade receivables are measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

##### Trade and other payables

Trade payables are measured at cost.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand. These are initially and subsequently recorded at fair value.

##### Financial assets at fair value through profit or loss

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## Accounting Policies

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### 1.3 Revenue

Membership fees and workshop fees are measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.



# The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2013

## Notes to the Annual Financial Statements

Figures in Rand 2013      2012

### 2. Property, plant and equipment (CSIR Office)

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	12 591	(9 362)	3 229	12 591	(6 844)	5 747

#### Reconciliation of property, plant and equipment (CSIR office) - 2013

	Opening Balance	Depreciation	Total
Furniture and fixtures	5 747	(2 518)	3 229

#### Reconciliation of property, plant and equipment (CSIR office) - 2012

	Opening Balance	Depreciation	Total
Furniture and fixtures	8 265	(2 518)	5 747

### 3. Other financial assets

#### At fair value through profit or loss

Coronation Capital Plus Fund - Class A	331 076	-
Coronation Balanced Plus Fund	174 215	284 127
Stanlib Property Income Fund	298 980	591 272
Investec Commodity Fund - R Class	465 390	830 010
Galaxy Expense Management Account	190 646	138 183
Investec Opportunity Fund - B Class	5 737	-
SIM Industrial Fund A Class	474 609	686 467
Coronation SA Capital Plus Fund	-	616 511
	<b>1 940 653</b>	<b>3 146 570</b>

#### Loans and receivables

Loan to International Union of Food Science and Technology	2 463	-
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<b>Total other financial assets</b>	<b>1 943 116</b>	<b>3 146 570</b>
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#### Non-current assets

At fair value through profit or loss	1 940 653	3 146 570
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#### Current assets

Loans and receivables	2 463	-
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<b>1 943 116</b>	<b>3 146 570</b>
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The fair values of listed or quoted investments are based on the quoted market price. Fair values are determined annually at balance sheet date.

The South African Association for Food Science & Technology (SAAFoST)  
Annual Financial Statements for the year ended 31 December 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
<b>4. Trade and other receivables</b>		
Prepayments	2 858	2 858
VAT	-	7 855
Sundry Debtors - Accrual	37 795	-
Other receivable	2 700	-
	<u>43 353</u>	<u>10 713</u>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Savings account	502 167	104 087
Current account	2 429 374	2 913 207
Other cash and cash equivalents	1 518 169	-
	<u>4 449 710</u>	<u>3 017 294</u>
<b>6. Trade and other payables</b>		
Trade payables	658 561	91 531
Amounts received in advance	75 529	75 529
VAT	305 997	-
Turners sundry payables	249 353	-
Accruals	748 330	-
	-	-
	<u>2 037 770</u>	<u>167 060</u>

# South African Association for Food Science & Technology

Annual Financial Statements for the year ended 31 December 2013

## Congress Income Statement

Figures in Rand	Note(s)	2013
<b>Revenue</b>		<b>3 412 143.12</b>
Income - Sponsorship		1 077 731.13
Income - Exhibition Stands		841 950.00
Income - Registrations		1 334 931.28
Income - Gala Dinner		87 214.92
Income - Workshop (ICMSF)		70 315.79
<b>Other income</b>		
Interest Received		30 965.66
Income - Additional Badges		13 157.89
		<b><u>3 456 266.67</u></b>
<b>Operating expenses</b>		
3x3/2 Shell Schemes & DB Boards		40 504.00
Abstract Book & Programme		68 981.00
Abstract Management		16 590.00
Audio Visual Equipment		3 450.00
Bag Packing (Tukfost)		300.00
Bank Charges		3 600.38
Complimentary Banquet Delegates		10 726.05
Courier Fees		807.02
Credit Card Charges		15 702.14
CSIR Conf. Package 1 Day Paying Delegate		28 265.85
CSIR Conf. Package 3 Day Free Delegate		86 841.00
CSIR Conf. Package 3 Day Paying Delegate		538 280.10
Decor		26 198.82
Design 2nd Announcement & Newsletters		21 530.00
Hotel Shuttle		112 520.00
Insurance		27 800.00
Invited Speaker Airfares		51 708.76
Invited Speakers Airport Transfers		840.00
Invited Speakrs Accommodation 5&6 Nights		8 069.00
Lanyards		5 742.00
LOC Meetings		15 928.99
Name Badges		10 035.00
Oxford Software		9 176.70
Poster Boards		12 010.00
Prize Winners		6 000.00
Registration Desk - PC's & Printers		121 243.06
Signage		11 210.00
Social Event		1 200.00
Stationery		4 559.00
Telephone Fax LOC Office on Site		414.15
Travel & Accom		41 164.34
Turners Fee Exhibition Mgt		84 195.00
Turners Fees Finance Mgt		20 000.00
Turners Fees for Full Delegates		120 868.05
Turners Fees for Students		9 215.91
Turners Fees Social Functions		16 203.26
Turners Fees Sponsorship Mgt		21 180.09
Turners Fees Website		10 000.00
Venue Hire Expenses		173 500.00
Web Page		1 710.53
Welcome/Farewell Cocktails & Drinks		151 306.51
		<b><u>1 909 576.71</u></b>
<b>Surplus for the year</b>		<b>1 546 689.96</b>