

**The South African Association for Food
Science & Technology (SAAFoST)
Annual Financial Statements
for the year ended 31 December 2014**

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

Annual Financial Statements for the year ended 31 December 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Food Science and Technology Promotion
Council: Elected	Ryan Ponquett 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 Co-option	Rosie Maguire Nigel Sunley
Council: Ex-Officio	Owen Frisby Irene Burke Tricia Fitchet
Registered office	Turners Conferences and Conventions 37 Margaret Mncadi Avenue Durban 4000
Auditors	BDO South Africa Incorporated
Treasurer	Rosie Maguire

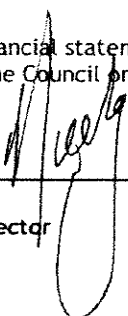
The South African Association for Food Science & Technology (SAAFoST)

Annual Financial Statements for the year ended 31 December 2014

Index

Index	Page
Independent Auditors' Report	3
Balance Sheet	4
Income Statement	5 - 6
Accounting Policies	7 - 8
Notes to the Annual Financial Statements	9 - 10

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 25 June 2015 and were signed on its behalf by:



Owen Frisby
Executive Director



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38 Douglas Saunders Drive
La Lucia Ridge, 4051
PO Box 47
La Lucia 4153
South Africa

Independent Auditors' Report

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 2014, 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 the basis of accounting described in note 1, for determining that 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 2014 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 Inc.

BDO South Africa Incorporated
Bryan Galliver
Director
Registered Auditor

25 June 2015
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 B Lovell FD Schneider SD Shaw ME Stewart (Chief Executive) A van der Hoek
Office Managing Director: B Lovell

The company's principal place of business is at 22 Wellington Road, Parktown, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO Southern African Co-ordination (Pty) Ltd, a South African company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

Annual Financial Statements for the year ended 31 December 2014

Balance Sheet

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment (CSIR Office)	2	12,404	3,229
Other financial assets	3	2,193,429	1,940,653
		<u>2,205,833</u>	<u>1,943,882</u>
Current Assets			
Other financial assets	3	-	2,463
Trade and other receivables	4	164,420	1,561,523
Cash and cash equivalents	5	1,835,800	2,931,541
		<u>2,000,220</u>	<u>4,495,527</u>
Total Assets		<u>4,206,053</u>	<u>6,439,409</u>
Equity and Liabilities			
Equity			
Accumulated Funds		4,085,332	4,401,638
Liabilities			
Current Liabilities			
Trade and other payables	6	120,721	2,037,771
Total Equity and Liabilities		<u>4,206,053</u>	<u>6,439,409</u>

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

Annual Financial Statements for the year ended 31 December 2014

Income Statement

Figures in Rand	Note(s)	2014	2013
Revenue			
Membership fees		1,162,714	1,144,842
Other income			
Congress		8,772	8,503
Consultant subscriptions		5,200	5,700
Dividend revenue		8,852	-
FST advertising income		919,327	880,354
Fairbairn investment adjustments		255,496	445,095
Food and beverage SETA		75,529	-
Interest received		81,534	164,702
SAAFoST NB & CB		-	33,250
Sundry income CB		78,196	10,031
Sundry income KZN		27,193	1,982
Sundry income NB		30,012	14,395
Surplus on SAAFoST congress		-	1,546,690
Workshops (UP,3M,US)		268,096	-
		1,740,503	3,110,702
Expenses (Refer to page 6)		(3,219,523)	(5,867,170)
Deficit for the year		(316,306)	(1,611,626)
Add : Opening retained Income		4,401,635	6,013,263
Closing Retained Income		4,085,332	4,401,635

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

Annual Financial Statements for the year ended 31 December 2014

Income Statement

Figures in Rand	Note	2014	2013
Operating expenses			
Accommodation and travel		239,359	100,242
Advertising (Graphic Mail)		9,366	3,916
Archives		44	-
Association management fees		256,336	257,245
Auditors remuneration		21,962	12,000
Bank charges		9,874	7,764
Career roadshow		8,725	-
Computer expenses		3,748	731
Congress		17,182	5,954
Custodian membership PR		9,360	1,316
Depreciation, amortisation and impairments		3,206	2,518
Dreosti/Ginsberg award		-	10,000
Employee costs		681,578	568,602
Entertainment		1,699	3,418
FACS expenses		41,854	28,080
FST expenses		913,880	656,246
Foundation: MacCallum bursary		-	26,000
IT expenses (internet connection)		3,632	4,387
Journalism Meritorius award		7,000	7,000
Membership safaris		21,981	-
Postage		1,505	124
Printing and stationery (business cards and certificates)		12,001	29,567
Rent		29,680	29,249
SAAFoST Foundation		502,700	4,025,800
Strategic planning meetings		11,107	-
Sundry expenses		1,283	4,432
Sundry expenses CB		95,984	18,412
Sundry expenses KZN		19,817	8,993
Sundry expenses NB		33,923	31,461
Telephone and fax		25,697	23,713
Workshop- labelling & regulation consultant		18,970	-
Workshops		216,070	-
		3,219,523	5,867,170

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

Annual Financial Statements for the year ended 31 December 2014

Accounting Policies

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
IT equipment	3 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 2014

Accounting Policies

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.

Revenue from management fees is recognised and accounted for as such in the year of receipt.

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 2014

Notes to the Annual Financial Statements

Figures in Rand 2014 2013

2. Property, plant and equipment (CSIR Office)

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	12,591	(11,880)	711	12,591	(9,362)	3,229
IT equipment	12,381	(688)	11,693	-	-	-
Total	24,972	(12,568)	12,404	12,591	(9,362)	3,229

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

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	3,229	-	(2,518)	711
IT equipment	-	12,381	(688)	11,693
	3,229	12,381	(3,206)	12,404

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

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

3. Other financial assets

At fair value through profit or loss

Coronation Capital Plus Fund - Class A	-	331,076
Coronation Balanced Plus Fund	(139,490)	174,215
Stanlib Property Income Fund	359,487	298,980
Investec Commodity Fund - R Class	503,354	465,390
Galaxy Expense Management Account	220,004	190,646
Investec Opportunity Fund - B Class	-	5,737
SIM Industrial Fund A Class	571,722	474,609
Coronation SA Capital Plus Fund	678,352	-
	2,193,429	1,940,653

Loans and receivables

Loan to International Union of Food Science and Technology	-	2,463
Total other financial assets	2,193,429	1,943,116

Non-current assets

At fair value through profit or loss	2,193,429	1,940,653
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Current assets

Loans and receivables	-	2,463
	2,193,429	1,943,116

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 2014

Notes to the Annual Financial Statements

Figures in Rand	2014	2013
4. Trade and other receivables		
Prepayments	2,858	2,858
Deposits - congress 2015	145,000	-
Turners Conferences (Pty) Ltd	1,926	1,555,965
Other receivable	14,636	2,700
	164,420	1,561,523
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Current account	109,896	502,167
Savings account	1,725,904	2,429,374
	1,835,800	2,931,541
6. Trade and other payables		
Trade payables	81,849	81,846
Amounts received in advance	-	75,529
Value added taxation	38,872	305,997
Turners sundry payables	-	249,353
Accruals	-	1,325,046
	120,721	2,037,771

Trade payables is money paid out by Turners Conferences on behalf of SAAFoST in 2009, not yet claimed.