

**The South African Association for Food  
Science & Technology (SAAFoST)  
(NPO number: 013-075)  
Annual Financial Statements  
for the year ended 31 December 2015**

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

Annual Financial Statements for the year ended 31 December 2015

## 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	Dr Lucia Anelich Ryan Ponquett Anza Bester Dr Gunnar Sigge Denise Metcalfe Russell Hové Jacques van den Berg Grant Momplé James McLean Prof Naushad Emmambux Dr Hanita Swanepoel
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 Registered Auditors
Treasurer	Rosie Maguire
NPO number	013-075

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

Annual Financial Statements for the year ended 31 December 2015

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The annual financial statements set out on pages 4 to 11, which have been prepared on the going concern basis, were approved by the Council at the meeting held on 09 June 2016 and were signed on its behalf by:

  
\_\_\_\_\_  
Owen Frisby  
Executive Director

# 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 The South African Association for Food Science and Technology, as set out on pages 4 to 11, which comprise the balance sheet as at 31 December 2015, 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 Financial Statements

The South African Association for Food Science and Technology 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 2015 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  
Bryan Galliver  
Director  
Registered Auditor

19 September 2016  
La Lucia Ridge

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

Annual Financial Statements for the year ended 31 December 2015

## Balance Sheet

Figures in Rand	Note(s)	2015	2014
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment (CSIR Office)	2	7,566	12,404
Other financial assets	3	3,289,828	2,193,429
		<u>3,297,394</u>	<u>2,205,833</u>
<b>Current Assets</b>			
Trade and other receivables	4	1,868,032	164,420
Cash and cash equivalents	5	1,504,180	1,835,800
		<u>3,372,212</u>	<u>2,000,220</u>
<b>Total Assets</b>		<u><b>6,669,606</b></u>	<u><b>4,206,053</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated Funds		<u>5,231,277</u>	<u>4,085,332</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	1,438,329	120,721
<b>Total Equity and Liabilities</b>		<u><b>6,669,606</b></u>	<u><b>4,206,053</b></u>

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

Annual Financial Statements for the year ended 31 December 2015

## Income Statement

Figures in Rand	Note(s)	2015	2014
<b>Revenue</b>			
Membership fees		1,404,390	1,162,714
<b>Other income</b>			
Congress		-	8,772
Consultant subscriptions		6,500	5,200
Custodian PR (Breakfast)		3,421	-
Dividend revenue	8	40,667	8,852
FST advertising income		813,065	919,327
Fairbairn investment adjustments	9	325,493	255,496
Food and beverage SETA		-	75,529
Interest received	8	119,515	81,534
Sundry income CBr		43,535	78,196
Sundry income KZNBr		2,000	27,193
Sundry income NBr		22,351	30,012
Surplus on SAAFoST congress		856,092	-
2014 Workshops paid in 2015		1,719	268,096
		<b>2,234,358</b>	<b>1,740,503</b>
<b>Expenses (Refer to page 6)</b>		<b>(2,492,803)</b>	<b>(3,219,523)</b>
<b>Surplus/ (Deficit) for the year</b>		<b>1,145,945</b>	<b>(316,306)</b>
Add : Opening retained Income		4,085,332	4,401,635
<b>Closing Retained Income</b>		<b>6,087,368</b>	<b>4,085,332</b>

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

Annual Financial Statements for the year ended 31 December 2015

## Income Statement

Figures in Rand	Note	2015	2014
<b>Operating expenses</b>			
Accommodation and travel		109,612	239,359
Advertising (Graphic Mail)		10,829	9,366
Archives		1,600	44
Association management fees		271,061	256,336
Auditors remuneration		22,732	21,962
Bank charges		9,788	9,874
Career roadshow		6,623	8,725
Computer expenses		4,230	3,748
Congress		-	17,182
Custodian PR (Breakfast)		12,394	9,360
Depreciation, amortisation and impairments		4,838	3,206
Dreosti/Ginsberg award		10,000	-
Employee costs		687,811	681,578
Entertainment		1,877	1,699
FACS expenses		39,835	41,854
FST expenses		840,666	913,880
IT expenses (internet connection)		2,953	3,632
Journalism award		7,000	7,000
Membership safaris		-	21,981
Postage		972	1,505
Printing and stationery (business cards and certificates)		13,732	12,001
Rent		35,391	29,680
SAAFoST Foundation		300,000	502,700
Strategic planning meetings		-	11,107
Sundry expenses		1,539	1,283
Sundry expenses CBr		44,090	95,984
Sundry expenses KZNBr		2,457	19,817
Sundry expenses NBr		27,721	33,923
Telephone and fax		23,052	25,697
Workshop- labelling & regulation consultant		-	18,970
Workshops		-	216,070
		<b>2,492,803</b>	<b>3,219,523</b>

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

Annual Financial Statements for the year ended 31 December 2015

## 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
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 and cash held by financial institutions. 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 2015

## 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.

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.

### 1.4 SAAFoST Congress

It is the policy of SAAFoST Congress to report on the entire congress. SAAFoST Congress has therefore been reported until 29/02/2016.

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

Annual Financial Statements for the year ended 31 December 2015

## Notes to the Annual Financial Statements

Figures in Rand 2015 2014

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

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	12,591	(12,591)	-	12,591	(11,880)	711
IT equipment	12,381	(4,815)	7,566	12,381	(688)	11,693
<b>Total</b>	<b>24,972</b>	<b>(17,406)</b>	<b>7,566</b>	<b>24,972</b>	<b>(12,568)</b>	<b>12,404</b>

#### Reconciliation of property, plant and equipment (CSIR office) - 2015

	Opening Balance	Depreciation	Total
Furniture and fixtures	711	(711)	-
IT equipment	11,693	(4,127)	7,566
	<b>12,404</b>	<b>(4,838)</b>	<b>7,566</b>

#### Reconciliation of property, plant and equipment (CSIR office) - 2014

	Opening Balance	Additions	Depreciation	Total
Furniture and fixtures	3,229	-	(2,518)	711
IT equipment	-	11,693	-	11,693
	<b>3,229</b>	<b>11,693</b>	<b>(2,518)</b>	<b>12,404</b>

### 3. Other financial assets

<b>At fair value through profit or loss</b>			
Stanlib Property Income Fund		370,376	359,487
Investec Commodity Fund - R Class		1,226,938	503,354
Galaxy Expense Management Account		252,601	220,004
SIM Industrial Fund A Class		-	571,722
Coronation SA Capital Plus Fund		1,437,987	538,862
		<b>3,287,902</b>	<b>2,193,429</b>

#### Loans and receivables

Loan to International Union of Food Science and Technology		1,926	-
<b>Total other financial assets</b>		<b>3,289,828</b>	<b>2,193,429</b>

#### Non-current assets

At fair value through profit or loss		3,287,902	2,193,429
Loans and receivables		1,926	-
		<b>3,289,828</b>	<b>2,193,429</b>

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 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>4. Trade and other receivables</b>		
Prepayments	2,858	2,858
Deposits - congress 2016	-	145,000
SAAFoST Congress 2016 Surplus	969,645	-
Turners Conferences and Conventions (Pty) Ltd - Call account	847,606	1,926
Other receivable	47,923	14,636
	<b>1,868,032</b>	<b>164,420</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Current account	253,309	109,896
Savings account	1,250,871	1,725,904
	<b>1,504,180</b>	<b>1,835,800</b>
<b>6. Trade and other payables</b>		
Trade payables	-	81,849
Amounts received in advance	6,757	-
Value added taxation	168,876	38,872
SAAFoST Congress Creditor	856,092	-
Accruals	406,604	-
	<b>1,438,329</b>	<b>120,721</b>
Trade payables is money paid out by Turners Conferences on behalf of SAAFoST in 2009, not yet claimed.		
<b>7. Revenue</b>		
Rendering of services	1,404,390	1,162,714
<b>8. Investment revenue</b>		
<b>Dividend revenue</b>		
Listed financial assets - Local	40,667	(8,852)
<b>Interest revenue</b>		
Listed financial assets	-	18,676
Interest received	119,515	62,858
	<b>119,515</b>	<b>81,534</b>
	<b>160,182</b>	<b>72,682</b>
<b>9. Fair value adjustments</b>		
Other financial assets		
• Fair value through profit or loss	325,493	255,496

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

Annual Financial Statements for the year ended 31 December 2015

### Congress Income Statement

Figures in Rand	2015
<b>Revenue</b>	
Sale of goods	589 243
Rendering of services	791 212
Royalty income	1 478 540
	<b>2 858 995</b>
<b>Other income</b>	
Interest received	5 994
<b>Operating expenses</b>	
Accounting fees	(13 000)
Advertising	(50 867)
Bank charges	(19 508)
Congress bags	(86 500)
Exhibition costs	(61 566)
Insurance	(51 421)
IT expenses	(134 642)
Miscellaneous costs	(3 688)
Oxford abstract costs	(9 400)
PCO Costs	(288 940)
Postage	(256)
Pre-event meeting & travelling costs	(50 903)
Printing and stationery	(2 877)
Programme & Prospectus costs	(45 957)
Social events	(154 434)
Tour & Transfer costs	(2 640)
Venue hire	(1 032 298)
	<b>(2 008 897)</b>
<b>Surplus for the year</b>	<b>856 092</b>