

The South African Association for Food Science & Technology

(Registration number 013-075)
Financial statements
for the year ended 31 December 2016

Williams IDM Inc
Chartered Accountants (SA)
Registered Auditors
Issued 08 September 2017

The South African Association for Food Science & Technology

(Registration number 013-075)

Financial Statements for the year ended 31 December 2016

General Information

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 Dr Gunnar Sigge Denise Metcalfe Anza Bester Russell Hove Rosie Maguire Jacques van den Berg Grant Mople James McLean Naushad Emmambux
Council: By Co-option	Shobana Naidoo Hanita Swanepoel Nigel Sunley
Council: Ex-Officio	Owen Frisby Irene Burke Tricia Fitchet
Registered office	Turners Conferences and Conventions 38 Jonsson Lane Durban 4001
Auditors	Williams IDM Inc Chartered Accountants (SA) Registered Auditor
Treasurer	Rosie Maguire
NPO number	013-075

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Financial Statements for the year ended 31 December 2016

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The reports and statements set out below comprise the financial statements presented to the Council:

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The financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, was approved by the Council on 08 September 2017 and was signed on its behalf by:



Owen Frisby
Executive Director



Independent Auditor's Report

To the Council of The South African Association for Food Science & Technology

Opinion

We have audited the financial statements of The South African Association for Food Science & Technology set out on pages 5 to 12, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The South African Association for Food Science & Technology as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Non Profit Organisation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the The South African Association for Food Science & Technology in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Council is responsible for the other information. The other information comprises the Audit Committee Report as required by the Non Profit Organisation, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with basis of accounting as set out in Note 1 to the financial statements and the requirements of the Non Profit Organisation, and for such internal control as the Council determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Independent Auditor's Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



John Hilton Williams
Director

08 September 2017

The South African Association for Food Science & Technology

(Registration number 013-075)

Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	19,608	7,566
Other financial assets	3	3,374,990	3,289,828
		3,394,598	3,297,394
Current Assets			
Trade and other receivables	4	59,175	1,868,032
Cash and cash equivalents	5	1,705,313	1,504,179
		1,764,488	3,372,211
Total Assets		5,159,086	6,669,605
Equity and Liabilities			
Equity			
Accumulated surplus		5,031,930	5,231,275
Liabilities			
Current Liabilities			
Trade and other payables	6	127,152	1,438,328
Total Equity and Liabilities		5,159,082	6,669,603

The South African Association for Food Science & Technology

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Financial Statements for the year ended 31 December 2016

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue	7	1,221,638	1,404,389
Other income	8	1,052,274	1,748,683
Operating expenses		(2,699,333)	(2,492,803)
Operating (deficit) surplus		(425,421)	660,269
Investment revenue	9	161,730	160,182
Fair value adjustments		64,346	325,493
(Deficit) surplus for the year		(199,345)	1,145,944
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(199,345)	1,145,944

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Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2015	4,085,331	4,085,331
Surplus for the year	1,145,944	1,145,944
Other comprehensive income	-	-
Total comprehensive income for the year	1,145,944	1,145,944
Balance at 01 January 2016	5,231,275	5,231,275
Deficit for the year	(199,345)	(199,345)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(199,345)	(199,345)
Balance at 31 December 2016	5,031,930	5,031,930

Note(s)

The South African Association for Food Science & Technology

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Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	10	76,848	279,102
Interest income		112,468	119,515
Dividends received		49,262	40,667
Net cash from operating activities		238,578	439,284
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(16,630)	-
Sale of financial assets		(20,816)	(770,906)
Net cash from investing activities		(37,446)	(770,906)
Total cash movement for the year		201,132	(331,622)
Cash at the beginning of the year		1,504,179	1,835,800
Total cash at end of the year	5	1,705,311	1,504,178

The South African Association for Food Science & Technology

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Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the accounting policies as set out below. The financial statements have been prepared on the historical cost basis. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

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Financial Statements for the year ended 31 December 2016

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through surplus and deficit.

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 surplus or deficit, using the effective interest rate method.

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Financial Statements for the year ended 31 December 2016

Notes to the Financial Statements

Figures in Rand

2016

2015

2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	12,591	(12,591)	-	12,591	(12,591)	-
IT equipment	29,011	(9,403)	19,608	12,381	(4,815)	7,566
Total	41,602	(21,994)	19,608	24,972	(17,406)	7,566

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
IT equipment	7,566	16,630	(4,588)	19,608

3. Other financial assets

At fair value

Stanlib Property-Income Fund	196,380	370,376
Investec Commodity Fund - R Class	1,273,188	1,226,938
Galaxy Expense Management Account	301,227	252,601
Coronation SA Capital Plus Fund	1,602,269	1,437,987
	3,373,064	3,287,902

Loans and receivables

International Union of Food Science and Technology	1,926	1,926
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Total other financial assets

3,374,990 **3,289,828**

The fair values of listed or quoted investments are based on the quoted market price. Fair values are determined annually at balance sheet date.

Non-current assets

At fair value	3,373,064	3,287,902
At amortised cost	1,926	1,926
	3,374,990	3,289,828

The fair values of listed or quoted investments are based on the quoted market price. Fair values are determined annually at balance sheet date.

4. Trade and other receivables

Prepayments	-	2,858
SAAFoST Congress 2016	(10,918)	969,645
Turners Conferences and Conventions (Pty) Ltd - call account	-	847,606
Other receivable	70,093	47,923
	59,175	1,868,032

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Notes to the Financial Statements

Figures in Rand	2016	2015
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	1,705,313	1,504,179
6. Trade and other payables		
Accruals	121,143	406,604
Amounts received in advance	-	6,756
VAT	6,009	168,876
SAAFoST Congress creditor	-	856,092
	127,152	1,438,328
7. Revenue		
Rendering of services	1,221,638	1,404,389
8. Other income		
Workshop income	160,288	867,732
Other income - branches	125,853	67,886
Food, science and technology magazine income	766,133	813,065
	1,052,274	1,748,683
9. Investment revenue		
Dividend revenue		
Other financial assets - Local	49,262	40,667
Interest revenue		
Bank	112,468	119,515
	161,730	160,182
10. Cash generated from operations		
(Deficit) surplus before taxation	(199,345)	1,145,944
Adjustments for:		
Depreciation and amortisation	4,588	4,838
Dividends received	(49,262)	(40,667)
Interest received	(112,468)	(119,515)
Fair value adjustments	(64,346)	(325,493)
Changes in working capital:		
Trade and other receivables	1,808,857	(1,703,612)
Trade and other payables	(1,311,176)	1,317,607
	76,848	279,102
11. Contingencies		

There has been contingency raised with regards to a VAT assessment raised by SARS. This is under dispute as the association believes that SARS has done this erroneously and should be reversed once the matter is resolved.

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Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Revenue			
Membership revenue		1,221,638	1,404,389
Other income			
Dividends received	9	49,262	40,667
Fair value adjustments		64,346	325,493
Food, science and technology magazine income		766,133	813,065
Interest received	9	112,468	119,515
Other income - branches		125,853	67,886
Workshop income		160,288	867,732
		1,278,350	2,234,358
Expenses (Refer to page 14)		(2,699,333)	(2,492,803)
(Deficit) surplus for the year		(199,345)	1,145,944

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Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Operating expenses			
Administration and management fees		292,171	271,061
Advertising		14,802	10,829
Archives		2,000	1,600
Audit fees		22,187	22,732
Bank charges		9,658	9,788
Career roadshows		11,058	6,623
Consultant meetings		2,588	-
Council meetings		-	13,930
Custodian breakfast		17,765	12,394
Depreciation, amortisation and impairments		4,588	4,838
Donations		200,000	300,000
Employee costs		731,976	687,811
Entertainment		1,195	1,877
Gold pack awards		24,000	7,000
IT expenses		11,131	7,183
Insurance		10,088	658
Lease rentals on operating lease		38,930	35,391
Magazine expenses		756,702	690,321
Meeting expenses		14,552	-
Other awards		-	10,000
Postage		3,172	972
Printing and stationery		169,384	164,077
Sundry expense - other branches		139,996	113,445
Sundry expenses		1,958	1,539
Telephone and fax		24,885	23,052
Travel - local		113,311	95,682
Workshop expenses		81,236	-
		2,699,333	2,492,803