

**THE SOUTH AFRICAN ASSOCIATION FOR FOOD
SCIENCE & TECHNOLOGY
(NPO number: 013-075)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The South African Association for Food Science & Technology

(Registration number: 013-075)

Annual Financial Statements for the year ended 31 December 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Food Science and Technology Promotions
Council: Elected	Lucia Anelich James McLean Anza Bester Ingrid Woodrow Catherine Chisindi Melanie Naidoo Madelein Jansen Gerda Botha
Council: Ex-Officio	Gunnar Sigge (Past President) Owen Frisby Tricia Fitchet Irene Burke
Registered office	Turners Conferences and Conventions 38 Jonsson Lane Durban 4001
Auditors	BDO South Africa Incorporated Registered Auditors
Treasurer	James Mclean
NPO Number	013 - 075
Issued	25 March 2022

The South African Association for Food Science & Technology

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

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The annual financial statements set out on page 5-10, which have been prepared on the going concern basis, were approved by the board on 25 March 2022 and were signed on its behalf by:



James Mclean

Independent Auditor's Report

To the members 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 (the Association) set out on pages 5 to 10, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of The South African Association for Food Science & Technology for the year ended 31 December 2018 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Association in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

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 Association'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. Our opinion is not modified in respect of this matter.

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 the basis of accounting and for such internal control as the Council determine is 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

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 ISAs 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 ISAs, 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.
- Conclude on the appropriateness of the Council's 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

We communicate with the Council 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.

BDO South Africa Incorporated
BDO South Africa Incorporated (Nov 3, 2022 09:37 GMT+2)

BDO South Africa Incorporated
Registered Auditors

Bryan Galliver
Director
Registered Auditor

3 November 2022

5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia, 4051

The South African Association for Food Science & Technology

(Registration number: 013-075)

Annual Financial Statements for the year ended 31 December 2018

Statement of Financial Position as at 31 December 2018

	Notes	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment (CSIR Office)	2	25 070	11 087
Other financial assets	3	3 609 231	3 559 565
		3 634 301	3 570 652
Current Assets			
Trade and other receivables	4	348 800	1 646 735
Cash and cash equivalents	5	2 622 171	1 689 732
		2 970 971	3 336 467
Total Assets		6 605 272	6 907 119
Equity and Liabilities			
Equity			
Accumulated funds		6 409 132	6 906 602
Liabilities			
Current Liabilities			
Trade and other payables	6	196 140	517
Total Equity and Liabilities		6 605 272	6 907 119

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Statement of Profit or Loss and Other Comprehensive Income

	Notes	2018 R	2017 R
Membership fees	7	1 506 847	1 605 956
Other income	8	738 694	2 072 109
Operating expenses		(2 861 504)	(2 058 531)
Operating (loss) profit		(615 963)	1 619 534
Investment revenue	9	67 099	70 364
Fair value adjustments		51 394	184 771
(Loss) profit for the year		(497 470)	1 874 669
Opening balance		6 906 604	5 031 934
Accumulated funds at the end of the year		6 409 134	6 906 603

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Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on historic cost basis, except for certain financial instruments which are carried at fair value, and incorporate the principle accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment (CSIR Office)

Property, plant and equipment (CSIR Office) are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment (CSIR Office) is initially measured at cost.

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.

The useful lives of items of property, plant and equipment (csir office) have been assessed as follows:

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

1.2 Financial instruments

Initial recognition

The Association classifies financial instruments, or the component parts, on initial recognition as a financial asset, a financial liability or 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 where 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 with 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

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Accounting Policies

1.2 Financial instruments (continued)

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.

1.3 Revenue

Membership fees and workshop fees are measured at the fair value of the consideration received or receivable and represents the amount 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.

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

The South African Association for Food Science & Technology

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Annual Financial Statements for the year ended 31 December 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
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2. Property, plant and equipment (CSIR Office)

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	12 591	(12 591)	-	12 591	(12 591)	-
IT equipment	42 994	(17 924)	25 070	29 011	(17 924)	11 087
Total	55 585	(30 515)	25 070	41 602	(30 515)	11 087

Reconciliation of property, plant and equipment (csir office) - 2018

	Opening balance	Additions	Closing balance
IT equipment	11 087	13 983	25 070

Reconciliation of property, plant and equipment (csir office) - 2017

	Opening balance	Depreciation	Closing balance
IT equipment	19 608	(8 521)	11 087

3. Other financial assets

At fair value

Stanlib Property Income Fund	144 708	214 046
Investec opportunity fund	571 124	592 658
Old Mutual Money Market Fund B1 Class	423 995	357 994
Coronation SA Capital Plus Fund	555 405	594 334
Old Mutual Money Market Fund A Class	827 915	770 200
Nedgroup Investments	1 086 084	1 028 603
	3 609 231	3 557 835

At amortised cost

Other loans and receivables	-	1 730
Total other financial assets	3 609 231	3 559 565

The fair value 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	3 609 231	3 557 835
At amortised cost	-	1 730
	3 609 231	3 559 565

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Notes to the Annual Financial Statements

	2018 R	2017 R
4. Trade and other receivables		
Value added tax	-	27 061
SAAFoST Congress 2019	348 800	1 619 674
	348 800	1 646 735
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2 622 171	1 689 732
6. Trade and other payables		
Trade payables	520	517
Value added tax	195 620	-
	196 140	517
7. Revenue		
Membership fees	1 506 847	1 605 956
8. Other income		
Net surplus from SAAFoST Congress 2017	7 836	1 630 593
Workshop Income	407 366	325 745
Other Income - Branches	71 589	53 371
Food, Science and Technology magazine income	131 918	62 400
Sponsorship income	96 478	-
Other income	23 507	-
	738 694	2 072 109
9. Investment revenue		
Interest revenue		
Bank	67 099	70 364

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Detailed Income Statement

	Note	2018 R	2017 R
Revenue			
Membership revenue		1 506 847	1 605 956
Other income			
Congress net income		7 836	1 630 593
Fees earned		407 366	325 745
Royalties received		71 589	53 371
Food, Science and Technology magazine income		131 918	62 400
Sponsorship income		96 478	-
Other income		23 507	-
Interest received	9	67 099	70 364
Fair value adjustments		51 394	184 771
		857 187	2 327 244
Expenses (Refer to page 12)		(2 861 504)	(2 058 531)
(Loss) profit for the year		(497 470)	1 874 669

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	Note	2018 R	2017 R
Operating expenses			
Accounting fees		(19 023)	(3 850)
Administration and management fees		(1 114 846)	(979 816)
Advertising		(25 326)	(83 291)
Awards		(32 942)	(27 000)
Bad debts		-	(70 413)
Bank charges		(6 989)	(10 059)
Computer expenses		(34 891)	(5 945)
Custodian Breakfast		(784)	(21 002)
Depreciation, amortisation and impairments		-	(8 521)
Entertainment		(5 685)	(1 339)
General Expenses		(82 168)	(102 504)
IUFOST student sponsorship		(52 000)	-
Insurance		(3 509)	-
Magazines, books and periodicals		(750 381)	(188 518)
Postage		(49 439)	(55 217)
Printing and stationery		(116 669)	(56 685)
Rent paid		(42 504)	(42 823)
SAAFoST / IUFoST Food Fraud Workshop		-	(103 736)
Staff welfare		(10 000)	(951)
Subscriptions		(990)	-
Sundry Expenses		(96 547)	(131 615)
Telephone and fax		(28 707)	(27 835)
Travel - local		(130 162)	(137 411)
Workshop expense		(257 942)	-
		(2 861 504)	(2 058 531)

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Congress Income Statement

	Notes	2018 R	2017 R
Revenue			
Sponsorship Income		-	1 205 279
Registration Income		-	2 409 427
Exhibition Income		-	790 000
Product Theatre		-	76 000
Additional Exhibitor - SAAFoST 2017		-	26 316
		-	4 507 022
Gross profit			
		-	4 507 022
Operating expenses			
AV/IT		-	(171 415)
Bank Charges		-	(7 177)
Bags		-	(74 503)
Courier Costs		-	(1 645)
Merchant Fees		-	(23 940)
Entertainment		-	(418)
Exhibition Costs		-	(77 691)
General Expenses		-	(30 284)
Hiring Costs - Decor		-	(1 665)
Insurance		-	(4 561)
Speaker Costs		-	(199 987)
Abstracts		-	(8 696)
Photographic Costs		-	(10 000)
PCO		-	(565 521)
Printing		-	(27 330)
Programme & Prospectus Costs		-	(4 620)
Marketing & Promotions		-	(47 144)
Social Events		-	(185 028)
Signiture		-	(2 590)
Travel - Land		-	(5 917)
Travel - Air		-	(104 542)
Venue Costs		-	(1 321 754)
		-	(2 876 428)
Operating profit			
		-	1 630 594
Surplus for the year			
		-	1 630 594